The China Weekly

REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

Barring Japanese Aggression, China's Prospects Are Bright

ARTICLES IN THIS ISSUE

Japanese Would Abolish Public Schools and Volunteers

Has the Dope Trade Begun to "Backfire" on Japan?

Japan to Insist on Second Kawagoe-Chiang Kai-shek Interview

Chang and Kawagoe Fail to Reach Accord Despite Many Meetings; Hupeh Chairman Assassinated

Barring Japanese Aggression, China's Prospects Brightest in Quarter Century

Canton – Old and New: A Book Review

Increasing Seriousness of Japanese Drug Traffic at Harbin
(By the Review's Harbin Correspondent)

Arrest of Editor and Banning of a South Fukien Newspaper
(By the Review's Foochow Correspondent)

Both China and Japan Prepare for War But China Will Not Fire the First Shot . . . . . By C. Y. W. Meng

Importance of Inner-Mongolia in China's National Defence . . . . . By Chang Tso-hua

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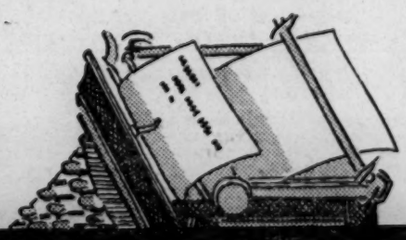

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Contents

Editorial Paragraphs

Has the Dope Trade Begun to "Backfire" on Japan? 293
Barring Japanese Aggression, China's Prospects Brightest in Quarter Century 294
Japanese Would Abolish Public Schools and Volunteers 295
Japan to Insist on Second Kawagoe-Chiang Kai-shek Interview 297

Special Articles

Chang and Kawagoe Fail to Reach Accord Despite Many Meetings; Hupeh Chairman Assassinated 299
Both China and Japan Prepare for War But China Will Not Fire the First Shot ..... By C. Y. W. Meng 305
Increasing Seriousness of Japanese Drug Traffic at Harbin 307
History and Status of the Kuomintang ..... By Fang Chih 309
Modernization of Wuchang .....By S. Y. Chi 312
Arrest of Editor and Banning of a South Fukien Newspaper 317
Importance of Inner-Mongolia in China's National Defence .....By Chang Tso-hua 319
Gen. Han Fu-chu's Drive Against "Modern" Girls ..... By Z. Y. Yu 322
Who's Who in China 323
Men and Events 324
Canton—Old and New 326
New Books of Interest in the Far East 327

CONTENTS OF PREVIOUS ISSUES OF THE CHINA WEEKLY REVIEW MAY BE FOUND IN THE "INTERNATIONAL INDEX TO PERIODICALS," COPIES OF WHICH ARE ON FILE IN MOST STANDARD LIBRARIES.

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HAS THE DOPE TRADE BEGUN TO "BACKFIRE" ON JAPAN?

FOR those unfamiliar with the term "back-fire" it usually refers to a defective gun in which the charge explodes backward through the breechlock and into the hunter's face, or to an automobile engine wherein the gas-charge explodes prematurely causing a loud noise but not propelling the motorcar.

The term is used in connection with the Japanese trade in narcotics because there is a growing indication that the Japanese people, heretofore regarded as immune to the blandishments of habit-forming drugs, are themselves beginning to fall victims along with their Chinese customers. The Japanese have always boasted that their people never used opium or other narcotics despite the fact that the Japanese Government has maintained opium monopolies in Formosa and Korea and is fostering another on a grandiose scale in her puppet state of Manchukuo, the products being intended for Chinese consumption. Occidental military observers who have made a study of the Japanese war machine have always insisted that opium and narcotics should be regarded as a potent arm of Japanese military aggression because the Japanese army has consistently fostered the trade in narcotics for two chief reasons, (1) financial, and (2) the use of narcotics simplifies the pacification of native populations.

But it now appears that the Japanese are themselves beginning to fall victims to the products which they have so long been dispensing to their Chinese neighbors. A recent report in one of the local Japanese newspapers stated that of some 50 inmates in the local Japanese consular jail more than half were dope addicts. Another report (*Domei*) said that two measures had been referred to the Privy Council for action by the Cabinet designed to prohibit opium-smoking in Japan. The first ordinance would enable Japan to cooperate with other nations in prohibiting opium smoking. The original ordinance was signed by Britain, Netherlands, France, Portugal and India in 1931 but has been hanging fire in Japan since

that time. The second ordinance now being referred to the Privy Council provides for extending the legislation to the inhabitants of the Kwantung leased area in south Manchuria. Nothing was said about extending it to Formosa where an opium monopoly has been in existence for nearly a half-century, or Manchukuo where the largest opium producing and manufacturing monopoly in the world is being developed under the auspices of the Kwangtung branch of the Imperial Japanese Army.

Another recent report of significance was carried by *United Press* from San Francisco on Oct. 13, to the effect that a Japanese named Tohiyoshi Nagae who had been arrested on charges of smuggling narcotics had confessed that he obtained his supplies of the drug from an illicit factory located near Nagasaki which was supplying members of a dope ring operating on the U. S. Pacific coast. Regular shipments were being taken to American ports from Japan by sailors on trans-Pacific ships.

Barring Japanese Aggression, China's Prospects Brightest in Quarter Century

CHINA' thus far in 1936, has enjoyed greater economic prosperity than any year since establishment of the Republic, according to nation-wide surveys conducted by several authoritative agencies. This was accomplished in the face of almost continuous threats of foreign aggression. Economic experts believe that this country, given a breathing spell from Japanese aggressive tactics and major disasters, would enjoy a boom unequaled during the present century.

Good agricultural crops last year and bumper crops this year, coupled with national unification, internal peace, gradual eradication of corrupt, provincial officials, stability of exchange and improved communications with increasing highway and railway mileage were the chief factors in the economic recovery this year.

The chief grumblers have been, and continue to be, the Shanghai exchange gamblers and Shanghai landowners who vociferously bemoan hard times due to the stabilization of exchange and the deflation of the Shanghai real estate boom. Exchange stabilization, however, has vastly improved general business conditions by taking some of the gamble out of legitimate business. Deflation of Shanghai real estate prices may be expected to continue due largely to peaceable conditions in the interior causing thousands of rich Chinese individuals and business firms to invest in the interior rather than in the foreign settlements. Also there is a tendency on the part of Chinese individuals and firms to withdraw from the settlements to interior points.

New Chinese money is also being invested in the interior rather than in Shanghai due to the realization that Shanghai is too vulnerable in the event of Sino-Japanese hostilities. Japanese aggression in Hongkew has destroyed Chinese faith in the stability of the foreign settlements.

The bounteous crops throughout China were paradoxically combined with a remarkable rise in farm product prices which has brought prosperity to the Chinese farmer—comparative prosperity, we mean. The Chinese farmer is now buying clothes, supplies and equipment needed for many years. As a consequence, Chinese industry has shown very favorable improvement. Surplus commercial products of previous years have almost entirely disappeared as the Chinese purchasing power reaches its greatest peak in 25 years.

Exports have increased substantially but imports through the Chinese Customs declined during the first ten months of 1936 due to the Japanese smuggling in North China plus the greater efficiency of Chinese manufacturers who are to a larger extent than ever, able to produce articles and products formerly imported. Results accomplished in this respect during the past year clearly indicate that China is on the road to self-sufficiency. Cotton and flue-cured tobacco crops reached a new high record this year. Beans, wheat and other grain crops were excellent and the silk crop was good. The lack of rainfall during the past month is commencing to cause distress in some sections of the country but the drought comes too late to damage the present year's crop. Sowing of the new crop has been delayed and some vegetable crops have been seriously damaged, but a good rainfall any time during the next two weeks would prevent any general distress. Other factors to be noted in the present favorable economic situation are the improved tourist trade, increased building construction, encouraging business collections and the decreasing Communist threat.

Flour milling is booming, consumption of domestic electric power has shown wide gains, remittances from overseas Chinese have increased and cigarette consumption improved. Many commodities, such as cotton goods, kerosene, flour and other staples which formerly glutted the godowns, are now moving fast. Indicating the big demand for space, shipping companies have raised freight rates. As a typical example of many noteworthy changes, Szechuen province, long torn by internal strife, this year has purchased more phonograph records than all of China five years ago. Another example is the sale of soap which has reached an all-time nation-wide record.

North China, under Japanese military influence, failed to enjoy a corresponding prosperity due to the political uncertainties. The Japanese allegedly are preparing to spend millions of yen in Hopei but thus far, at least, it has not helped the average Chinese. Some economists believe that the extremely heavy purchases of staples for shipment to the interior, with the resulting high prices, is due to business men stocking up in the interior on fears of a possible blockade of the Yangtsze in the event of Sino-Japanese hostilities. Heavy Japanese purchases in North China, plus the activities of speculators are largely responsible for the huge price increases in cotton, cotton yarn and foodstuffs. Despite the bumper cotton crop, cotton mill operators are urgently in need of supplies. The Ministry of Finance has threatened to apply the "brakes". The new crops are slow in arriving on the local markets. Some Chinese cotton mills, which must operate on a 24-hour basis, already have been compelled to close down one shift.

Some Chinese brokers claim the Japanese are attempting to obtain a corner on cotton and cotton yarn in order to force a shutdown of Chinese mills, but most economists believe that the present squeeze is due more largely to the fact that present demand exceeds the supply and that speculators have taken advantage of this fact. The normal cotton yarn price is around $200 and is now being quoted around $238 per bale. Cotton, normally about $38 per picul, is now around $42. An artificial market like this will retard genuine recovery. In addition, sudden rises in foodstuff prices such as rice, often causes acute distress among the poorer Chinese and this is oft' times followed by disorders.

However, on the whole the economic picture of China shows more sunshine and less clouds of bankruptcy, misery and despair than any time in 25 years.

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JAPANESE WOULD ABOLISH PUBLIC SCHOOLS AND VOLUNTEERS

THERE is undoubted significance in the fact that the only portions of Chinese territory which are not showing a return of prosperity are those areas which are either under direct Japanese military control or are under the threat of Japanese military domination. Although Manchuria has become a closed preserve of the Kwantung branch of the imperial army and military censorship has prevented the publication of independent news reports, the frantic demands of the South Manchuria Railway and other Japanese interests in Manchuria for more capital indicate that prosperity has not yet come to the puppet state. Further evidence of economic and political distress is provided by the increasing activities of so-called "bandits," who are taking a larger and larger toll of Japanese lives among both civilians and armed forces.

Turning to the situation at Shanghai, we find that while the Japanese spent at least a half billion yen on their intervention at Shanghai in 1932 resulting in the destruction of a large Chinese city and the massacre of several thousands of Chinese, mostly non-combatants, the Japanese failed of their objective. But while the Imperial Japanese sea and land forces failed to defeat the Chinese, they have had better luck since 1932 in their drive against the Occidentals, chiefly British, controllers of the International Settlement.

In the four years which have elapsed since the Japanese were compelled, because of Chinese and world disapproval, to evacuate Chinese territory here, they have steadily increased their garrison lodged in permanent fortress and barracks on the edge of the Settlement until it now probably exceeds 4,000 officers and men. In addition the Japanese have armed and put into uniforms several thousand reservists and even the students in their local commercial college.

Today one finds the streets of the Hongkew section of the International Settlement patrolled almost exclusively by Japanese marines bearing rifles with fixed bayonets. On at least one night each week the public streets of the Hongkew section and adjacent areas of Chapei are used by the Japanese armed forces, including tank corps, artillery, armored cars, military trucks, motorcycle machinegun units, and infantry as a base for extraordinary maneuvers wherein they practice the occupation and defense of the district against an imaginary attacking force.

Today no British or Chinese policeman employed by the International Settlement dares arrest any Japanese subject in the Hongkew district and as a result the Settlement's normal protective forces in that area have become so demoralized as to be of little use. Also, as a result of the lawlessness now prevailing in the Hongkew area, both the American and British authorities have placed all Hongkew "out of bounds" from the standpoint of their respective uniformed men. Realestate values have steadily declined and as a result of the evacuation of tens of thousands of Chinese who have moved to other sections of the foreign settlements or Chinese municipality, Hongkew has ceased to be a desirable residential or commercial section of the city. North Szechuen Road, once a most prosperous thorofare, is being converted into a location for cheap bars, cabarets, low-class joints, houses of prostitution or even worse. Other streets have been given over to beer-halls and other Japanese amusement and recreational establishments which have sprung up since the coming of the Japanese armed forces.

Hongkew, once the location of most of the American and British missionary establishments

and once known as the "American Concession," and more recently center of the prosperous Christian Cantonese community, has degenerated into the least desirable section of the entire city. The cause of the degeneration is obvious and discernable to anyone who will take the trouble to visit the district—the monopolization of the streets by the armed forces of Imperial Japan! Of particular interest to local Americans and their home government at Washington is the fact that the land owned by the American Government and intended as the location of a new million dollar building for the housing of the Consulate-General, Commercial Attache, Treasury, Agricultural and Naval representatives and U. S. Court is located in the Hongkew district and in consequence is not so desirable for the purpose intended as was the case prior to the Japanese occupation of the district.

As the Japanese have increased their military forces here they have become more and dictatorial in their relations with the other nationalities which participate in the administration of the International Settlement. Although they have confined most of their military activities to the so-called Hongkew section, north of Soochow Creek, they are gradually extending their activities to other portions of the city where the American and European business houses and residential areas are located. Japanese motorcycle patrols, trucks bearing armed men and even armored cars are frequently observed passing along Nanking Road and other chief streets.

Since the collapse of their scheme to occupy the Shanghai district by armed force in 1932 the Japanese have attempted to ingratiate themselves with the Chinese by urging Sino-Japanese cooperation against the Occidental controllers of the Settlement. They even have tried to convince the Chinese that their intervention in 1932 was really designed to wrest control of the foreign settlements from the Occidentals rather than aggression against the Chinese. In these propaganda drives the Japanese have tried, and with some success, to take advantage of the natural Chinese opposition to permanent Occidental control of their chief metropolis and seaport. Chinese individuals and groups which have been rebuffed and antagonized by the occidental, principally British, controllers of Shanghai, have been urged by the Japanese militarists to cooperate with them in driving the foreigners out of the city entirely.

This explains the motives behind the present Japanese attempt to capitalize and divert to their advantage the economic depression and resulting financial stringency experienced by the Municipal Administration of the Settlement. Ignoring the fact that a prominent reason for the falling off of revenues has been due to the uncertainties created by Japanese military activities in the once-prosperous Hongkew district, the Japanese recently demanded as money-saving measures, the abolition of the public shools, disbandment of the local volunteer defense corps, including a small regiment of Russian volunteers who receive payment for their services and the liquidation of the Council's secretariat, including the Secretary-General whose office corresponds in certain respects to a "city manager" in the United States. Also the Japanese have demanded, backed up by the usual threats, that the municipal tax rate be drastically reduced; realizing that such is impossible in the face of a budget deficit approaching the $3,000,000 mark.

While there are sound grounds for some of the Japanese complaints against abuses in the municipal administration which have existed for many years, it is not difficult to fathom the motives behind their most recent demands, particularly the abolition of the public schools and disbandment of the Volunteer Corps. In place of the public schools, the Japanese have recommended that municipal revenues at present used for that purpose be diverted to the support of separate schools operated by the various nationalities. As the Japanese now have the largest local population this would result in their monopolization of most of the municpial educational funds. A report circulated by the official *Domei* news service this week called particular attention to the large sums which the Council is spending on Chinese education. The Japanese apparently would stop this expenditure and use the money for the support of their own educational institutions, doubtlessly realizing that educated Chinese are more difficult to subjugate and exploit.

A significant element, entirely overlooked by both Chinese and foreigners, in connection with the Japanese drive for control of the International Settlement is the fact that the Japanese community at Shanghai has been artificially enlarged for reasons intimately connected with Japan's imperialistic ventures on the Continent. Thousands of Japanese of ronin or "lumpen" classes, adventurers and reservists have been encouraged to come to Shanghai to seek their fortunes here at the expense of the community. Unable to earn a livelihood a majority of these persons have become a burden on the local Japanese community at a time when the economic depression and Chinese antagonisms have made the conduct of small Japanese businesses unprofitable. Although practically unmentioned in the local Japanese newspapers there is a bitter life-and-death struggle in the Japanese community over the establishment here of bazaars and department stores controlled directly by Osaka industrialists, leading to the elimination of hundreds of small retailers who previously distributed Japanese goods. The Japanese commercial community here, unlike the American and European groups, has

never been self-supporting and in consequence has been subsidized by the Tokyo Government through loans at low rates of interest. According to a report published in the local Japanese newspapers several months ago local Japanese commercial houses have defaulted on loans amounting to $4,598,300 which were advanced by the Tokyo Government through the local Japanese Residents Corporation. Despite this deplorable situation it was stated that between April 1, and December 30, of last year it had been necessary to advance further loans totaling $1,412,500 to some 130 merchants threatened with bankruptcy. Itaro Ishii, retiring Japanese Consul-General, in his farewell speech to the members of the local Japanese community referred to the crisis facing the Association. He declared, "Our residents are seriously affected by the depression and the additional element of Chinese antagonisms resulting from the Manchurian and Shanghai incidents. There is no telling when this situation will improve, but, while outside aid is also necessary, the basic solution lies in self-help . . . . should that thought be lost and you should reply solely upon others, I do not believe that improvement is possible."

A knowledge on the part of the Chinese and Occidentals of the critical situation existing within the Japanese community, should be of benefit in enabling the community in general to face the Japanese demands which have as their objective the actual control of the Settlement and monopolization of its resources. While most of the Japanese troubles were created by their own uncontrolled warlords, this does not obscure the fact that certain powerful elements within the Japanese community would attempt to rectify their own blunders by seizing control of Occidental interests here as they have done with Chinese interests in Manchuria and North China!

Japan to Insist on Second Kawagoe-Chiang Kai-shek Interview

GENERAL Count Hisaichi Terauchi, Imperial Japanese War Minister, is willing to permit the Tokyo Foreign Office to settle all outstanding Sino-Japanese problems "because Japan's policy toward China has already been decided."

This statement by the War Minister was echoed by Vice-Admiral Soemu Toyoda, Director of the Naval Affairs Bureau, who declared that the fundamental principles of Japan's policy toward China have been firmly established and will not be changed, "unless there is a sudden change in the situation."

These statements were made following an interview with Yakichiro Suma, Japanese Consul General at Nanking, which was held in Tokyo at the War Ministry on Monday morning, October 26. On the preceding day Mr. Suma held a similar conference with officials of the Foreign office reporting to them the results of the interview between Ambassador Shigeru Kawagoe and General Chiang Kai-shek held in Nanking on October 8.

While there has been no official announcement giving complete details of the interview between General Chiang Kai-shek and and Ambassador Kawagoe and the succeeding interviews between Kawagoe and General Chang Chun, Minister of Foreign Affairs, sufficient has now appeared in the Japanese newspapers to give a fairly clear idea regarding the present critical situation in the relations of China and Japan. The Japanese newspapers began publishing inspired statements from the Foreign and War Office about the middle of September, all pointing to the fact that the Japanese authorities had decided to force a showdown with China this fall. In other words, the opinions reflected in the Japanese press indicated that China was to be presented with Japan's "last word". Now according to a *Domei* interview with War Minister Terauchi on October 26, if the Hirota Cabinet cannot settle the question of Sino-Japanese relations "there will be no course left for the Cabinet but resignation."

Thus does the Imperial War Minister make and break Tokyo cabinets!

This statement by the War Minister sheds considerable light on the activities of certain interests which have been urging further compromises on China's side on the ground that continued Chinese resistance might cause the fall of the Hirota Cabinet and the ushering in of another which might be even more under military influence. Advocates of this point of view, however, overlook the fact that the Hirota Cabinet was put in office by the Army and Premier Hirota has managed to hold office up to the present only because he has carried out the wishes of the General Staff on both domestic and foreign issues. While no one can forecast future developments under the unsettled political conditions now prevailing in Japan, it is obvious that no Cabinet could be appointed which would be more thoroughly under military influence than the present group now in power in Tokyo.

Parenthetically, it should be inserted here that recent press developments in Japan, converting the previously independent or semi-official news services into the official *Domei* service subject to the orders of the Foreign and War offices, make it imperative that the Chinese authorities pay closest possible attention to inspired reports now appearing in the Tokyo newspapers. The reason for this statement is that the Japanese press, now completely under the heel of officialdom, reflects official policy while the statements of Japanese diplomatic and military officials stationed in China may or may not reflect such policy, depending on circumstances: Often the statements of such officials are completely at variance with inspired statements appearing in the Tokyo newspapers. This was indicated in a statement made by Consul-General Suma while in Tokyo on his recent trip in which he accused the newspapers of "exposing" Japanese policy in connection with the negotiations in Nanking.

With reference to Japan's future intentions with respect to the negotiations now proceeding at Nanking, the *Asahi Shimbun* reported on October 22 that Japan would insist upon another interview between Ambassador Kawagoe and General Chiang Kai-shek, following the return of Suma to Nanking. The report in the *Asahi* stated that in the five interviews between Kawagoe and Foreign Minister Chang Chun and the one interview between Kawagoe and General Chiang Kai-shek, it was evident that the negotiations between the two countries "had departed from the stage of an ex-

change of views and had reached a status where an agreement or a breakdown were the only alternatives."

It was at this point that the Japanese decided to send Consul-General Suma to Tokyo for fresh instructions. It was claimed that China had failed to clarify her attitude regarding two important issues—the plan of joint defense against Communism leading to a Sino-Japanese military alliance against Soviet Russia, and, second, China's agreement to Japan's program for granting a special political status to North China, which would have the effect of giving Japan a free hand to create another puppet government in that region.

Although, as stated in the foregoing, there has been no official announcement from any quarter regarding Japan's concrete demands, the *Nichi Nichi Shimbun*, one of the leading Tokyo newspapers, published a list of seven items, which it claimed had been presented to Foreign Minister Chang Chun by Ambassador Kawagoe at one of the early meetings. Of these items listed herewith, it was alleged in the *Nichi Nichi Shimbun* that China practically had accepted all except the second and third. A complete list of the demands follows:

1. Control of anti-Japanese agitation and suppression of all anti-Japanese boycotts.
2. Recognition of the special nature of the five provinces of North China and conclusion of a "black and white" agreement thereon.
3. Conclusion of a joint anti-Communist defense agreement covering all the territories of China (emphasizing military cooperation of the two countries under the direction of the Tokyo General Staff in a common cause.)
4. Appointment of Japanese advisors in the central and local governments. (Since many Britishers, Americans and other nationals are already employed in Chinese Government service, the appointment of Japanese advisors is calculated to offset and gradually eliminate China's reliance on the European and American powers.)
5. China's consent to a general lowering of high tariff rates on Japanese goods and the establishment of a Sino-Japanese joint commission to discuss the matter, the object being to permit Sino-Japanese economic cooperation and the establishment of a China-Japan-Manchukuo "Economic Bloc".
6. Conclusion of an agreement concerning the establishment of an important aviation communication route between the Japanese naval base at Fukuoka and Shanghai.
7. Immediate surrender by China to the Japanese authorities of all Koreans resident in China who are suspected of anti-Japanese sentiments. This refers particularly to all Koreans now enrolled in Chinese military academies and other schools.

Even though China has rejected, according to the report in the Tokyo newspaper, the second and third demands, her acceptance of the others as alleged in the Tokyo papers would lead to a considerable abrogation of China's sovereignty in favor of Japan.

In further explanation of the Japanese point of view the *Nichi Nichi Shimbun* on October 19 claimed that Ambassador Kawagoe in his conversation on that day with Foreign Minister Chang Chun had demanded an immediate agreement for a joint military drive against the Chinese Communists.

With respect to North China the Japanese insisted upon the establishment of "an ideal special area" based on cooperation among China, Japan and Manchukuo, embodying the political ideals shown in the sixth item of the proposal made by Japan to the Chinese Government at the end of October last year, the purport of which has not been announced. Continuing the *Nichi Nichi Shimbun* declared, "Specifically Japan demands that autonomy be granted to the five provinces of North China including wide powers over finance and the power to settle domestic and foreign questions on the spot, plus the appointment of able men, capable of 'expressing the will of the people' with regard to joint defense against the Communists. Japan seeks the conclusion in concrete terms of a Sino-Japanese anti-Communist defense front throughout China for the definite purpose of checking the eastward advance of Red influence."

Continuing the Tokyo paper said that China had adopted the attitude that she could not grant recognition of a special status for North China, because of domestic political reasons based upon the preservation of sovereignty and administrative integrity. The Tokyo report of the Nanking conversations alleged that China had hinted that if Japan would withdraw her demand for a special status in North China, Nanking might be prepared to accept Japan's proposal for a joint Communist drive as regards North China.

Owing to China's refusal to accept these two fundamental conditions, the Japanese paper forecasted that there would be considerable "twisting and turning" before an agreement is reached; but, "Since both the Japanese and Chinese Governments are unshakeably determined to the last to settle the pending issues by diplomatic negotiations, Japanese diplomatic authorities are convinced of an ultimate settlement." An interesting sidelight on reports now being issued in Tokyo for the consumption of the Japanese people was a telegram to the *Nichi Nichi* from its Nanking correspondent alleging that the conversations between Ambassador Kawagoe and General Chang Chun were "entirely private, no other person of any character being admitted to the room while the talks were in progress."

A dispatch also was published in the *Nichi Nichi* on October 10 from its Peiping correspondent alleging that the Hopei-Chahar Political Council would reject any effort on Nanking's part which did not fit the special circumstances in North China, otherwise, the Hopei-Chahar regime would carry out such a policy on its own accord. While China's territorial integrity and administrative sovereignty would be observed, the mutual interests of the Japanese and Chinese peoples made it necessary for the North China regime to secure administrative freedom as a special area. The statement by the Japanese correspondent at Peiping apparently was inspired by the resident Japanese military office Lieutenant Colonel Takeo Imai.

The *Asahi Shimbun* also published a significant dispatch from its Nanking correspondent quoting Ambassador Kawagoe as declaring that the guiding spirits of Japan and China at the present time of crisis in Far Eastern and world affairs made it necessary for the two nations to agree upon a joint objective for cooperation against the spread of Communism. It was claimed that the conversations were based upon four main issues:

1. Stabilization of North China.
2. Joint military operations against Communism.
3. Economic cooperation.
4. Solution of other pending issues including incidents.

The Japanese paper generally made a considerable point of the fact that the ambassadors of Great Britain and Soviet Russia were displaying deep interest in developments and had called upon Foreign Minister Chang Chun immediately following the Kawagoe-Chiang interview. A report in the *Nichi Nichi Shimbun* bearing on this point was published on October 15 alleging that foreign governments, but particularly the United States and Britain, were exercising a considerable restraint on China's freedom to negotiate with Japan. It was alleged that the activities of foreign ambassadors in Nanking had caused China to "still dream of reliance on Occidental powers." In an explanatory article the paper referred to the recent British loan credit, British influence in the Chinese railways and American influence in China's airways. For example, the Japanese alleged that motor bus routes in the interior of China specified the use of Ford equipment and fuel supplied exclusively by the Standard Oil Company.

Chang and Kawagoe Fail to Reach Accord Despite Many Meetings; Hupeh Chairman Assassinated

HIGH LIGHTS IN THE EVENTS OF THE WEEK:

1. **Nanking Denies China Has Agreed to Any Japanese Proposals.**
2. **Ambassador Hsu Explains China's Position to Arita in Interview.**
3. **Suma Says Sino-Japanese Negotiations Have Now Reached Impasse.**
4. **Gaimusho Officials Agree on Four Points as Basis for Negotiations.**
5. **"If China Problem Is Unsettled Cabinet Must Resign," —Terauchi.**
6. **Han Fu-chu Pledges to Safeguard China's Territorial Integrity.**
7. **Japanese Maneuvers Render Thousands of Chinese Homeless.**
8. **Yang Yung-Tai, Hupeh Chairman, Assassinated by Gunman at Hankow.**
9. **General Chiang Kai-shek Arrives at Sian to Inspect Anti-Red Work.**
10. **Two Tragic Incidents Mark State Burial of Hu Han-min.**

S. Kawagoe, Japanese Ambassador to China, called on General Chang Chun, Minister of Foreign Affairs, Oct. 26 to continue exchange of views in regard to the readjustment of Sino-Japanese relations. The interview lasted for more than two hours. Since the opinions exchanged at the meeting were still not in full accord, another interview is expected to be held in the future.

For 2 hours and 15 minutes in the afternoon of Oct. 26, Gen. Chang Chun and Mr. Kawagoe sought in their sixth meeting to straighten out the tangled skeins of Sino-Japanese relations, reported *Domei*. While the communique issued by the Japanese Embassy on the conversation revealed little, *Domei* learned that no progress was achieved at the meeting.

"Views presented are still not in complete accord." This is the keynote of a communique issued by the Chinese Foreign Office Oct. 21 after the fifth interview between Gen. Chang Chun and Mr. Kawagoe, in their discussions of Sino-Japanese relations. The two diplomats went into conference at two o'clock and did not emerge until two hours and twenty minutes later.

Failure of Gen. Chang Chun and Ambassador Kawagoe to reach a "complete agreement" on the readjustment of Sino-Japanese relations was revealed in a communique issued by the Japanese Embassy Oct. 21. The statement was made public immediately after the conclusion of the fifth interview between the two officials at the Foreign Minister's residence. The meeting lasted 2 hours 20 minutes.

Gen. Chang Chun and Mr. Kawagoe did not meet Oct. 27, nor has any definite date been fixed for the two diplomats to continue their negotiations for the fundamental readjustment of Sino-Japanese relations, reported *Central News*.

NANKING DENIES CHINA HAS AGREED TO ANY JAPANESE PROPOSALS

The Chinese Government has not agreed to any of the Japanese proposals for a settlement of the differences between the two countries, it was indicated in Nanking Oct. 22 in reply to a report in the Japanese newspaper *Asahi Shimbun*. The report suggested that China was generally agreeable to a number of the Japanese proposals, although rejecting those concerned with North China and the proposed anti-Communist pact. According to well-informed Chinese circles, the conversations between General Chang Chun and Mr. Kawagoe have hitherto been confined to an exchange of opinion, and no agreement has been reached on any question. The report in the *Asahi Shimbun* is therefore described as "entirely without foundation.

The *Asahi Shimbun*, while admitting that China had not agreed to the Japanese demands in connection with North China and the "joint anti-Communist front", declared that "China generally speaking has no objections to the Japanese proposals on other issues" namely:—

Control of anti-Japanese activities;
Reducation of import tariffs;
Control of anti-Japanese Koreans in China and their surrender to Japan;
Employment of Japanes: advisers at Nanking; and Inauguration of important Sino-Japanese traffic connections.

HSU EXPLAINS CHINA'S POSITION TO ARITA IN INTERVIEW

Hsu Shih-ying, Chinese Ambassador to Tokyo, called Oct. 23 on Mr. Arita, the Japanese Minister of Foreign Affairs, their interview lasting for about three hours. During the interview, the Chinese Ambassador explained to Mr. Arita the reasons why the Chinese Government is unable to accept certain proposals raised by Japan and requested the Japanese authorities to reconsider the matter. In reply, the Japanese Foreign Minister also elucidated Japan's position.

Tokyo's belief that the abandonment of the current negotiations in Nanking is preferrable to a partial readjustment of Sino-Japanese relations was expressed Oct. 23 to Hsu Shih-ying, Chinese Ambassador, by Hachiro Arita, Foreign Minister, according to *Domei*.

SUMA SAYS SINO-JAPANESE NEGOTIATIONS HAVE REACHED IMPASSE

The negotiations for a settlement of Sino-Japanese differences have reached a point where substantial progress has become impossible, according to Y. Suma, Japanese Consul-General in Nanking, now visiting in Japan. He has informed the Foreign Office that latterly the attitude of the Chinese Government towards the Japanese proposals has stiffened as a result of the internal and the international situation. He blames certain Chinese leaders for inciting the populace to the idea of resistence, and in consequence of this, he declares, Chinese public opinion towards Japan has grown more and more hostilie. Mr. Suma, it is stated, brought with him two proposals for the consideration of the Gaimusho. First, as a complete understanding concerning both the North China and the anti-communism issues has now proved to be hopeless, Japan should reconsider the course of measures she had adopted and definitely establish a limit to her program; second, while it would be inadvaisble to allow the negotiations to break off, it is nevertheless considered unwise to procrastinate matters indefinitely, and a compromise, therefore, would be to conlcude the present pourparlers in the nearest future and leave substantial questions for future discussions.

Agreement to insist on China's acceptance of the entire set of Japanese proposals for a fundamental readjustment of relations between the two countries was reached Oct. 24 at a conference of high Gaimusho officials, immediately after Yakichiro Suma, Consul-General in Nanking, made a detailed report on the progress of the current negotiations in the Chinese capital, reported *Domei*. Nanking's failure to accept any one of the proposals, the conferees are said to have agreed, would deprive the present pourparlers of any real value.

GAIMUSHO OFFICIALS AGREE ON FOUR POINTS AS BASIS FOR NEGOTIATIONS

Following two important meetings of leading officials of the Gaimusho, during which reports from Mr. Suma, concerning the latest development in the negotiations between Gen. Chang Chun and Mr. Kawagoe were heard, a four point plan, summarizing the considered opinions of the conferees, was reportedly to have been agreed upon Oct. 24.

The four points which will form the basis of future discussions with the Chinese Government in Nanking are as follows:

(1) Since there is no prospect of reaching a concrete solution of the two thorny problems of the special status of North China and joint defense against communists, efforts should henceforth be directed towards obtaining from Nanking a pledge to the mere outlines of the relative Japanese proposals;

(2) Any request from China for an undertaking or an understanding which is likely to bind Japan's freedom of action in future should definitely be rejected;

(3) Memorandums should immediately be exchanged concerning the other five proposals to which China has already pledged her support;

(4) In case China rejects the new overture from Japan, Japan should not mind an open rupture in the negotiations.

In contrast to the moderating tone of the Gaimusho, the views of the Japanese Army are decidedly more drastic. They believe that the failure in the present negotiations has been long awaited and hence there is no need to stick to Nanking. The two important issues, they maintain, should be solved by seeking out the proper party to talk over with in North China.

Bearing fresh instructions to Ambassador Shigeru Kawagoe for the conduct of negotiations for a fundamental readjustment of Sino-Japanese relations, Mr. Suma left Tokyo at 9.30 p.m. Oct. 27 for Kobe en route to aboard m.v. *Aramis* of the Messageries Maritimes. The new directions were put into final shape at a joint conference of representatives of the Foreign, War and Navy Ministries in the afternoon Oct. 27.

The Army's approval of the instructions to be taken to Ambassador Shigeru Kawagoe by Mr. Suma was conveyed Oct. 27 to the Foreign Office by Major-Gen. Rensuke Isogai, Director of the War Ministry's Military Affairs Bureau, according to *Domei*. High officials of the War and Foreign Offices, *Domei* learned, agreed that the current negotiations must seek not only the settlement of

all outstanding problems but also the eradication of all factors that might give rise to new incidents. If China ignores Japan's proposals, avowedly based on a desire to stabilize conditions in the Orient, the conferees are said to have decided, the Nanking negotiations must be abandoned in favor of other means.

IF CHINA PROBLEM IS UNSETTLED, CABINET MUST RESIGN—TERAUCHI

"If Mr. Hirota's Cabinet cannot settle the question of Sino-Japanese relations, there will be no course left for it but to step out with good grace", Gen. Count Hisaichi Terauchi, War Minister, told the press Oct. 26. "Speculation is rife regarding the outcome of the current Nanking negotiations, but I trust," he added, "that the China problem will be settled one way or another". Questioned by *Domei*, the War Minister said that he felt he could "rely on the Foreign Office to settle all outstanding Sino-Japanese problems."

Japan's policy towards China, Gen. Terauchi added, has already been decided by the Cabinet and "is not subject to any changes". Questioned on the Army's record budgetary estimates for the next fiscal year, Gen. Terauchi expressed his "firm belief" that the Government would approve them.

The fundamental principles of Japan's policy towards China are firmly established and will not be changed unless there is a "sudden change in the situation", Vice-Admiral Soemu Toyoda, Director of the Navy Ministry's Naval Affairs Bureau, told the press Oct. 25 following his meeting with Admiral Osami Nagano, Navy Minister.

NANKING'S VERNACULARS HIT JAPAN'S DEMANDS

Through their editorial columns Nanking's vernaculars Oct. 21 unanimously voiced their strong opposition to Japan's demand for the creation of the so-called special area in North China and her ambitions proposals for Sino-Japanese front against the communists. The independent *Hsin Min Pao* prefers to see the negotiations break down than to witness a Chinese concession which means a violation of General Chiang Kai-shek's declaration regarding the protection of China's territorial integrity as well as the nation's wishes.

Japan's tactics of carrying on negotiations with the Chinese Government, while her officials are securing the signatures of the local Chinese officials in North China was characterized by the *Chung Kuo Jih Pao*, as typically Japanese as it aims at presenting to Nanking with *fait accompli*. Japan is certainly wrong, the journal says, if she thinks that she has succeeded in hoodwinking the world.

Slight modification of Japan's attitude in the negotiations for a settlement of her differences with China has been agreed upon by the Japanese Foreign Office, according to several newspapers in Tokyo Oct. 27. The *Nichi Nichi* says that the deliberations of the Foreign Office Officials Oct. 26 resulted in a decision to "seek nothing more from China at present than a commitment in broad outline regarding Japan's demands in connection with the North China question and anti-Communist co-operation." The *Miyako Shimbun* calls these the lifeline of the Japanese proposals, which cannot be withdrawn in any circumstances. The Chinese, according to this journal, will be urged to realise that Japan is ready to overcome all obstacles in connection with these two items, although acceptance of them by the Chinese Government may "make sacrifices by Japan on subsidiary points inevitable." The *Nichi Nichi* adds that, after China has committed herself to acceptance of the broad outlines of the North China and anti-Communist proposals, a concrete agreement thereon will be postponed until a settlement is reached on the recent series of anti-Japanese "incidents."

TEN FORMOSAN PATRIOTS GET PRISON TERMS

Ten Formosans, headed by one Huang Ko, were sentenced Oct. 22 by the Tainan District Court to imprisonment, ranging between two and four years, for taking part in a movement designed to overthrow Japanese administration in the Island, according to *Domei*. The defendants were among hundreds of persons rounded up by the police two years ago. Among the charges was that the plotters conducted secret negotiations with certain Chinese leaders for monetary and military aid.

HAN FU-CHU PLEDGES TO SAFEGUARD CHINA'S TERRITORIAL INTEGRITY

"If any foreign country attempts any activities impairing China's sovereignty and territorial integrity, I will do my duties as a local official to protect the territory under my administration and will face whatever dangers and difficulties with courage and patience." This statement was made by Gen. Han Fu-chu, chairman of Shantung, in an exclusive interview with the *Central News Agency* Oct. 21. "As an integral part of China," General Han added, "Shantung will strictly follow the policy as laid down by the Central Government as well as instructions of Gen. Chiang Kai-shek in handling any diplomatic issues." Under the present acute national crisis, Gen. Han declared, all local officials should pledge full support to the Central Government and form a united front against foreign aggression. Continuing Gen. Han said he was deeply impressed by the patriotic and energetic spirit displayed in the provinces where he has visited on his present trip to the south, and was confident that national rejuvenation would be ultimately achieved through the consicentious efforts of the whole nation.

General Han Fu-chu returned to Tsinan from Nanking by train Oct. 24. Interviewed, General Han said that during his visit to the Capital, he called on President Lin Sen, Generals Chiang Kai-shek and Feng Yu-hsiang, President and Vice-President of the Military Affairs Commission, and other leaders. The Central authorities are deeply concerned over the situation in North China, General Han said. The Shantung Provincial Government will fully abide by the instructions of the Central Government in carrying out the various measures.

JAPANESE MANEUVERS RENDER THOUSANDS OF CHINESE HOMELESS

Approximately 1,000 Japanese troops began their large-scale maneuvres in the afternoon of Oct. 26 and have now taken up defensive positions in Chinese villages adjacent to the Belgian Concession, in the southeast of the Settlement, in order to oppose the "attacking" column advancing from the East, according to a *Reuters* report from Tientsin. For this purpose, Japanese troops from Tangshan, where similar maneuvres are being held, have detrained at Chungliangcheng. These troops will form part of the "attacking" force. Local manoeuvres will conclude on Oct. 28 and all Japanese troops participating will then entrain for Fengtai where the main "battle" will be fought. Two hundred Japanese cavalry and 500 infantry left Tientsin by train for Fengtai morning of Oct. 26.

Many Chinese houses at Fengtai were much damaged by Japanese troops during the latter's recent military maneuvers, according to *Central News*. During the Japanese maneuvers in which street battle was waged, the Japanese troops mounted machine guns on the roofs of many Chinese houses, their physical weight coupled with that of the fighting weapons proving too much for the delicately built houses. Furthermore, Japanese and Korean nationals have continued to occupy Chinese houses for residence.

More than 2,000 inhabitants at Tachihku, a village near Tientsin, have been rendered homeless, as the Japanese military authorities Oct. 22 marked out 200 houses in that village as temporary headquarters for their troops during their maneuvers.

The Hopei and Chahar Political Council despatched Oct. 25 four officials to Tahsing and Wanping districts in the suburbs of Peiping to assist the Japanese troops in their maneuvres. A review of the Japanese troops participating in these maneuvres will be held at Papaoshan in the western part of Peiping on Nov. 4, the last day of the military drills.

Between Oct. 19 and 25, two warships of a certain country arrived at Tientsin, carrying cargoes of poison gas, reported *Shun Pao* Oct. 24. This poison gas was unloaded in the evening and was sent to a chemical factory at Nankai on military trucks.

LI SHIH-HAO SAYS HE WILL FOLLOW POLICIES OF NANKING GOVERNMENT

Much light was thrown on the recently reported Sino-Japanese air traffic agreement by a statement issued to local press representatives by Li Shih-hao, the new Chairman of the Economic Affairs Committee of the Hopei-Chahar Political Council, shortly after his arrival in Shanghai from Peiping aboard the C.N.A.C. plane at 12.45 p.m. Oct. 27. Confirming that a preliminary agreement has been reached between the Chinese and Japanese authorities in the North regarding the inauguration of an air service between Japan and North China, Mr. Li declared that the proposed Huitung Aviation Company, which is to take charge of the service, would be a joint Sino-Japanese enterprise similar in all respects to the China National Aviation Corporation and the Eurasia Aviation Company.

"Since I assumed my office as Chairman of the Economic Affairs Committee of the Hopei-Chahar Political Council," Mr. Li said, "I have been doing my utmost to perform my duties as entrusted to me by the Central Government and Gen. Sung Cheh-yuan, Chiarman of the Council. I have observed that all the measures taken or being taken by the Northern authorities are in complete accord with those formulated by the Central Government."

The Hopei-Chahar Political Council issued an order Oct. 22 accepting the resignation of Teng Cheh-hsi from the chairmanship of the Codification Commission and appointing Chang Shih-chao to succeed him. A native of Hunan and a returned student from England, Mr. Chang was Minister of Justice in the Provisional Government of Marshal Tuan Chi-jui in 1924, later transferring to the post of Minister of Education. When the Tuan Government wa soverthrown in 1926, he went to Shanghai, where he has been practising law.

Lu Chung-yu, the newly-appointed Director of the Lung Yen Iron Mining Co., called on Lieutenant-General Tashiro, Commander of the Japanese Garrison in North China, Oct. 24 and discussed with him the development of the Lung Yen mines. Later Mr. Lu visited Mr. Horiuchi, the Japanese consul-general in Tientsin.

DANGER OF MANCHUKUO INVASION OF SUIYUAN MINIMIZED BY MONGOL PRINCE

There is no danger of an invasion of Suiyuan by Manchukuo or Mongol troops from Chahar in the immediate future, declared Prince Ah, head of the Suiyuan Mongol Council, on his arrival at Peiping from Taiyuan, Shansi. Prince Ah is on his way to Nanking to take part in the celebrations in connexion with the 50th birthday of General Chiang Kai-shek. General Fu Tso-yi,

said Prince Ah, has established very strong lines of defence in eastern Suiyuan, and the province is prepared for all eventualities.

Wang Ying, the Chahar bandit chieftain, has now fallen into disfavor with "certain quarters" reported *Central News* Oct. 27. His bandit horde, numbering some 8,000 men, which were enlisted in recent weeks, according to plans made by the "certain quarters," will shortly be placed under the command of Li Shou-hsin, the "Manchukuo" commander.

HUPEH CHAIRMAN ASSASSINATED BY GUNMAN IN HANKOW

General Yang Yung-tai, chairman of the Hupeh Provincial Government, was assassinated at Hankow at 3.35 p.m. Oct. 25. As he stepped from a motor-car at the Customs wharf to board the ferry to Wuchang a Chinese stepped forward and fired several shots at him with a pistol. A bullet enter his side, and he fell immediately. General Yang's bodyguard loosed off a hail of shots, but failed to hit the assassin, who was arrested by the police. Madame Yang immediately took her husband to the hospital, where he died within a few minutes. General Yang had been attending luncheon party at the United States Consulate-General, where he was in the happiest of spirits.

Gen. Yang Yung-tai

General Yang succeeded General Chang Chun as Chairman of Hupeh when the latter was appointed Foreign Minister of National Government in December last year. His term of office was marked by great progress in provincial affairs.

Born at Maoming, Kwangtung, General Yang was educated at the Canton High School and the Liang Kwang Preparatory School for students to be sent abroad. He also attended the law school of the Peking Methodist University. In the years before 1911 he was active in revolutionary work. Later he was prominent in journalism in Shanghai. After a year in Peking as a member of Parliament he went to Canton to join Dr. Sun Yat-sen's Southern Constitutional Government as member of the Extraordinary Parliament. He became Commissioner of Finance in 1917 and Civil Governor of Kwangtung in 1920. He was elected a member of the Peking Senate in 1922. When the Nationalist revolution of 1927 had brought about the downfall of the Northern Government and made Nanking the capital of the new Republic General Yang emerged as counsellor of the Commander-in-Chief's Headquarters of the Nationalist Army. In 1932 he became chief secretary to the Headquarters of the Chairman of the Military Affairs Commission, in which capacity he came in close contact with General Chiang Kai-shek, of whom he has always been an ardent supporter.

The Executive Yuan at its meeting Oct. 27 appointed Meng Kwang-peng, Civil Affairs Commissioner of Hupeh, as acting chairman of the Hupeh provincial government. In recognition of his meritorious services, the Executive Yuan also voted a sum of $10,000 for the funeral expenses of Gen. Yang Yung-tai.

VARIED MOTIVES ASCRIBED TO YANG MURDER

An anti-Japanese motive has appeared in the assassination of General Yang Yung-tai, reported *Reuters* Oct. 26. According to a Chinese source, the gunman, Chen Shieh-hsiao, a 25-year-old Szechuenese, confessed that he killed General Yang because, in his opinion, he was "attached to a policy of diplomacy instead of aggression" towards a "certain foreign power."

Belief that the assassination of Yang Yung-tai, was "another attempt of anti-Nipponese terrorists to balk Gen. Chiang Kai-shek's efforts to readjust Sino-Japanese relations" was expressed Oct. 25 by the *Shanghai Nippo*.

On orders from Gen. Chiang Kai-shek, President of the Executive Yuan, Chen Shieh-hsiao, 25, the assassin of Gen. Yang Tung-tai, will be taken to Nanking for further examination.

The murderer, accordin to *Shanghai Nippo*, is a soldier of the 34th Division, former commander of which is Gen. Chang Wan-sin, who was discharged from his command by Gen. Yang Yung-tai. The discharged commander is know to be a member of the "Red Circle."

The Japanese Embassy issued the following statement with regard to the assasination of Yang Yung-tai, Governor of Hupeh Province:

"Before the commencement of Sino-Japanese negotiations, anti-Japanese terroristic cases repeatedly occurred. Since the return of Chiang Kai-shek, the murderous outrages against the Nanking leaders have likewise followed. The joint cooperation of the United Anti-Japanese People's Front Bloc and the Communists in hampering Sino-Japanese negotiations has become secretly active. The assassination of Yang Yung-tai might be the outcome of their plot."

Shanghai Mainichi reported Oct. 26 that the assassination of Yang Yung-tai, is the outcome of the internal strife among the leaders of the Chinese National Government. The secret conflict between the pro-European and American bloc and the pro-Japanese clique in the Chinese National Government has become greatly intensified. Yang Yung-tai, being the chief leader of the Cheng Hsueh Hui Clique, was the main force behind the pro-Japanese bloc. Formerly, a part of the revenue from the opium taxes in Hupeh Province was allotted to the C.C. Bloc as funds for their activities. Recently, Yang Yung-tai stopped subsidizing the C.C. Bloc with this part of funds, and turned it to governmental expenses, thereby arousing the hatred and wrath of the C.C. Bloc.

GENERAL CHIANG ARRIVES AT SIAN TO INSPECT ANTI-RED WORK

Gen. Chiang Kai-shek, President of the Executive Yuan and Chairman of the Military Affairs Commission, who returned to Nanking only on Oct. 19 from Hangchow, left the Capital for Sian, Shensi, at 12.30 p.m. Oct. 22 aboard his private Junkers plane, and arrived there at 5 p.m. The purpose of the present trip of the Generalissimo, it is learned, is to inspect the bandit-suppression work in the Northwest.

According to *Shanghai Nippo*, the purpose of Gen. Chiang Kai-shek's present visit to Sian is to improve his relations with Gen. Chang Hsueh-liang and other northwest military commanders. Relations between the Generalissimo and Gen. Chang are now very strained. Gen. Chang is reported to be very dissatisfied with the Central Government because of the bad treatment accorded to the troops under his command. Following the development of an unfriendly attitude towards Nanking, Gen. Chang has established friendly relations with Gen. Shen Shih-tsai, military governor of Sinkiang. He also concluded a truce agreement with the Communist armies which he was assigned to suppress, and rendered aid to the Southwest in its rebellion against the Central Government last summer. Gen. Chiang Kai-shek has decided to effect a "re-organization" of Chang's army through the medium of Gen. Yang Hu-chen, Pacification Commissioner for the Northwest. It is thought possible that Gen. Chang will withdraw his troops to Sinkiang in order to save his position.

Disposal of the so-called "East Suiyuan problem" and a strengthening of his influence over the troops led by Gen. Chang Hsueh-liang were given Oct. 24 by the *Shnaghai Mainichi* as the main objectives of Gen. Chiang Kai-shek's present visit in Sian. Expecial significance, the journal said, must be attached to Gen. Chiang's interviews with Gen. Fu Tso-yi, Chairman of Suiyuan, and Gen. Yu Hsueh-chung, Chairman of Kansu. The former meeting, devoted to the discussion of the situation on the Suiyuan-Chahar border, will ultimately have a serious bearing on China's relations with Japan and Manchukuo, the daily added.

TWO INCIDENTS MARK HU HAN-MIN'S FUNERAL

More than 100,000 persons, lining up the thoroughfare from Canton City to the Dragon Eye's Cave, paid their last respects to the late Hu Han-min, former Chairman of the Standing Committe of the Kuomintang C.E.C., when his remains were laid at rest in a most impressive and dignified burial ceremony ever held in Canton at 12 a.m. Oct. 25. Sun Fo, President of the Legislative Yuan and Chief delegate from the C.E.C., officiated during the ceremony. Those who were present included delegates from the Central Government, representatives of the foreign diplomatic corps, members of the State Burial Committee, and members and delegates ffom city and district tangpu throughout the country. Memorial Services in honor of Mr. Hu were held at Nanking ,Shanghai and many other cities.

Two tragic incidents marked the State funeral of Hu Han-min. The first involved the death of two persons who were killed when a motor-bus proceeding to the Mausoleum met with an accident and plunged into a lake. The other involved a 65-year-old man, who attempted to commit suicide by stabbing himself. The man, who made the attempt, was Lo Pei-chi, a member of the Kuomintang, unemployed and poverty-stricken. He stopped Sun Fo, president of the Legislative Yuan, as Mr. Sun was going to the funeral service and submitted a petition requesting assistance. He was found lying in a pool of blood, with knife wounds in his body, and was immediately taken to hopital. An examinatioon showed that his condition was not serious.

DR. LO WEN-KAN REPORTED RETIRING TO MONASTERY

Dr. Lo Wen-kan, former Minister for Foreign Affairs at Nanking, has left for the Lo Fo mountains to monastery and devote himself to a study of Buddhism, according to a *Reuters* report. After relinquishing his post at Nanking, Dr. Lo Wen-kan joined the Southwest Political Council and was actively associated with the movement which led to the collapse of Chen Chi-tang's regime, whose foreign policy he directed. He left Canton shortly before General Chen Chi-tang's flight.

Soviets Ship Ammunition to Spain—Portugal Recognizes Insurgents

THE most important news during the week bearing on the European situation was that Soviet ships were converging on Spain from various directions with ammunition. A message from Port Said, Oct. 26, stated that three Soviet steamers, carrying a full load of military supplies, passed through the Suez canal on that date en route to Barcelona from Vladivostok. Six other Soviet steamers were due later this week, it was reported. Fifteen Soviet ships, fully loaded with military supplies and airplanes, passed through the Dardanelles in October en route to Spain, maritime officers in Istanbul reported Oct. 26. Eight Italian submarines, with Italian officers, but Spanish crews and flags, were ready to leave northern Italy Oct. 26 to attack Catalonia, Mme. Genevieve Tabouis, political commentator for the Paris *L'Œuvre*, reported Oct. 26. Fifteen German submarines passed through the Straits of Gibraltar on October 19 to assist in an Italian blockade of Catalonia, she also implied. The Soviet Union has demanded the use of French ports for Soviet commercial and war fleets, the *Echeo de Paris* asserted in an unconfirmed report from Biarritz Oct. 26. Yvon Delbos, French Foreign Minister, was said to have considered the demand unacceptable, however, since the Franco-Soviet alliance would not apply in such circumstances.

The London *Times* editorially referred to the possible recognition of the insurgent provisional government in Spain. "Britain considers less hesitation at the prospects of recognizing the Government of General Francisco Franco inasmuch as the Madrid Government brusquely rejected the British offer to help in the exchange of prisoners and hostages," the *Times* editorial said.

The confusion in Spain seems to be getting more confounded daily, and an early fall of Madrid is to be expected unless help should come from outside. There are, apparently, at present six governments in Spain. According to Paris reports, militiamen in Bujalaroz, 37 miles southeast of Saragossa, Oct. 27 proclaimed home rule in Aragon and established a provisional government, although Saragossa, Aragon's ancient capital, is held by the insurgents. Cordoba, North of Seville, is also reported to have gone independent, while Basque Nationalists are said to have proclaimed a provisional government at Bilbao. Burgos, the headquarters of the Nationalists, Madrid, and Barcelona, which acquired a home rule charter after the expulsion of the monarchy, are the centers of the other governments in Spain.

The London Foreign Office Oct. 27 announced that it had been informed of Portugal's recognition of the rebel junta government as the legal government of Spain.

World Position Worst Since the Great War Days, Says Lloyd George

The present international situation is the worst since the time of the Great War, D. Lloyd George, former Primer Minister, told the Council of Action for Reconstruction in Manchester, Oct. 23.

Great Britain Oct. 24 created a sensation in diplomatic circles of Europe by submitting a note to the Non-Intervention Committee charging the Soviet Union with making large deliveries of war materials to leftist forces in Spain in violation of the neutrality agreement.

Virtual withdrawal of Soviet Russia from the agreement for non-intervention in Spain was announced in a letter handed by the Soviet Ambassador, Jean Maisky, to the acting chairman, the Earl of Plymouth, at the meeting Oct. 23 of the non-intervention committee in London. The letter expressed the opinion that the agreement had turned out to be an empty, torn scrap of paper: in fact, it had ceased to exist.

New Abyssinian Empire Is Formally Recognized by Germany

The Italian Foreign Minister, Count Ciano, was received by Chancellor Hitler in Berlin, Oct. 24. In the course of the interview, Hitler informed Count Ciano that the German Government had decided on the formal recognition of the Italian Abyssinian Empire. Count Ciano replied that the Fascist Government took note of this announcement with great satisfaction and full appreciation of its importance.

Germany and Italy are working on a "working agreement" for co-operation in dealing with the Spanish situation and other continental problems.

Dutch East Indies Fleet to Visit Singapore

The Dutch East Indies fleet of more than twenty ships will pay a goodwill visit at Singapore on Nov. 14. The event will be the largest concentration of ships ever assembled in the Straits port.

Japan Well Equipped for Chemical Warfare

In the event of war in the Far East, Japan will be found equipped with the fourth largest chemical industry in the world, it was revealed by an investigation of the Institute of Pacific Relations in San Francisco Oct. 19.

King Edward's Intimate Friend, Mrs. Ernest Simpson, Secures Divorce

Through the magazines *Cavalcade* and *Weekly News Review* Britons Oct. 21 learned of the divorce proceedings recently begun by Mrs. Ernest Simpson, intimate friend of King Edward. It was stated that the King's marriage to Mrs. Simpson would be permissible because of an act of 1772, affecting the descendants of King George II. This act allows a king to marry a commoner as long as she is not a Catholic. It is understood that newspapers throughout Britain have been requested to refrain from reporting the divorce case of Simpson vs. Simpson.

Mrs. Simpson has so far denied that she intends to marry the King. If by any chance, however, King Edward should marry Mrs. Simpson a curious situation would be created, as it has been a strictly enforced rule heretofore that no divorcee should be presented at court, but Mrs. Simpson was already a divorcee—and in case the pending divorce is granted she will be doubly so.

The detective normally assigned to King Edward VIII is now aiding Mrs. Ernest Simpson, titian-haired social intimate of the King, in elaborate precautions to conceal her movements, a *United Press* telegram from London Oct. 20, stated.

The Bishop of Canterbury has decided that it may be impossible for him to officiate at the coronation of King Edward because the public might believe the Archbishop willing to overlook the King's relationships with Mrs. Simpson, it was reported in London Oct. 26. The Archbishop of York would be in a less difficult position and probably would officiate it was stated. Such a turn of affairs, however, would create a world sensation.

Mrs. Simpson Granted Divorce

Mrs. Simpson was granted a divorce from her stock broker husband in Ipswich, Oct. 27 after a ten minute private hearing in which a "Miss Kennedy" was named co-respondent. Two waiters substantiated Mr. Simpson's infidelity to his wife, asserting that they served him and Miss Kennedy breakfast on the mornings of July 22 and 23 at the Hotel de Paris, Berkshire, after the defendants had occupied a double bed there the preceding nights.

Domei Retracts Statement that King Edward Will Abdicate

Domei, the official Japanese news agency, got itself into hot water recently by reporting that King Edward would abdicate about the time of the Coronation ceremony. This statement it, however, saw fit to retract. The incident of itself is of no consequence, except as it throws into relief the "touchiness" of the Japanese people and Government concerning any slighting references made concerning their own ruler.

General Rise in Prices of Foodstuffs in North China

As a result of a very considerable export by greedy merchants there has been a general rise in the prices of foodstuffs in North China. The price of flour in Paoting jumped from $3.60 to $3.95 per bale during a fortnight; rice advanced from $10.80 to $13 per picul. According to an investigation made by the Provincial Department of Construction, the price of cotton in the province has also risen. A report from Tsingtao states that the prices of foodstuffs there are also soaring. The Japanese military authorities are buying large quantities of wheat and flour in North China. The authorities at Tsnan have placed a ban on the export of flour.

Japanese Residents Corporation Budget to Reach $850,000 Next Year

The next year's budget of the Japanese Residents' Corporation, which governs Shanghai's "Little Tokyo", will reach $850,000, as contrasted with this year's budget of $777,059, the local Nipponese papers predicted Oct. 24. The increase, the dailies said, will be necessitated by the projected repayment of $60,000 of the Corporation's $900,000 debt, and also by the increase in the number of classes in the Corporation's schools.

Elaborate Plane Ceremony Will Mark General Chiang's Birthday

An elaborate celebration of General Chiang Kai-shek's birthday is scheduled to take place at Nanking Saturday, Oct. 31. During the week there has been a steady influx of representatives from various provinces and municipalities whose main function is to attend the celebration in honor of the Generalissimo. A stream of congratulatory messages poured into Nanking from all parts of the country and everseas communities. The Ming Palace Airdrome, where a gigantic dedication ceremony of all the gift planes presented to the National Government in honor of the occasion will be held on the morning of Oct. 31, has been elaborately decorated. According to present estimates about 60 planes will take part in the ceremony. The planes will fly to Nanking from various cities, after local christening ceremonies.

Oct. 31 is the proper birthday of General Chiang Kai-shek, President of the Executive Yuan, according to a bulletin issued by the astronomical Institute in Nanking Oct. 23. The Central authorities, in a circular order to the various Provincial and Municipal authorities, enioin that, in deference to General Chiang's wishes, no gifts, with the exception of airplanes, be presented on the occasion of his 50th birthday anniversary.

Gen. Ku Cheng-lung, Commander of Metropolitan Gendarmes and Col. Shen Teh-shih of the Central Aviation Academy, will be field and air commanders respectively at the dedication ceremony.

The Central Motion Picture Studio, has completed the production of 24 copies of a 500-feet "short" depicting the Generalissimo at his work. The films have been taken to the leading cities of the country to be screened there on Oct. 31.

Six Planes Christened in Hangchow

Six fighting airplanes were christened before a crowd of about ten thousand people at Hangchow Oct. 23. The planes were bought by funds contributed by the Hangchow populace for presentation to the Government in honor of Gen. Chiang's fiftieth birthday anniversary. Gen. Huang Shao-hsiung, Chairman of the Chekiang Provincial Government, in a speech stressed on the importance of national salvation through aviation. He called on the people of Chekiang to be ready to sacrifice everything in their possession whenever such a sacrifice is called for by the national crisis.

Seven airplanes purchased by public contributions in Fukien were formally dedicated at Foochow Oct. 24 at the Wangchuang airdrome. Many prominent officials and representatives of various civic organizations were present.

The five gift planes of Hupeh were christened at Hankow Oct. 28 with Gen. Ho Cheng-chun, Pacification Commissioner for Hupeh, officiating at the ceremony.

The christening ceremony for the three airplanes donated by the people in Hunan to Gen. Chiang Kai-shek, were held at Changsha Oct. 27.

Police Planes Named in Nanking

The Ming Palace Airdrome was the scene of an impressive ceremony Oct. 24 when the powerful military airplane purchased at a cost of $100,000, donated by China's police force, was formally dedicated in the presence of more than 6,000 policemen and interested onlookers.

Seventeen airplanes donated by the various government and public bodies in Nanking were scheduled to be christened at Nanking Oct. 29.

Chinese residents at Bangkok Oct. 22 purchased a magnificent sword, brilliantly decorated with diamonds, a product of the reign of Rama II, which they are presenting to Gen. Chiang Kai-shek on his birthday.

Huge Throng Gathers to Witness Christening of Planes at Shanghai

A crowd estimated at over a hundred thousand attended the christening ceremony of the 10 gift airplanes to the National Government in honor of the 50th birthday of Chiang Kai-shek at the Lungwha airdrome Oct. 24. Mayor Wu Te-chen presided at the function. The 10 Curtis-Hawk pursuit planes, bought with the $1,000,000 contributed by various organizations of Shanghai, were christened by the respective heads of the organizations and their wives. The first named was the "Shanghai City Government," which was formally dedicated by Mayor Wu Te-chen and Madame Wu. This plane was purchased with the money given by the workers of the Municipality of Greater Shanghai. The nine other planes were named "Shanghai Kuomintang," christened by Tung Ying-pai, member of the Executive Committee of the Greater Shanghai Kuomintang; "Shanghai Anti-Opium," given by the opium hongs of Shanghai, christened by Mr. and Mrs. Tu Yueh-sen; "The Shanghai Ningpo," christened by Mr. and Mrs. Yu Ya-ching, "The Shanghai Provision," christened by Mr. and Mrs. Koo Hsing-yih; "The Shanghai Students", the "Shanghai Merchants" the "Shanghai Police," and the "Shanghai Hotels."

A feature of the ceremony were a series of plane stunts by Miss Lee Ya-ching, Shanghai's well known society aviatrix.

Workers and employees in Shanghai decided to contribute one day's wages for the purchase of airplanes, while commercial and industrial firms decided to contribute certain percentage of their daily turnover to the fund.

The entire press of China will issue special supplements to celebrate the 50th birthday of Gen. Chiang Kai-shek on Oct. 31.

Commenting on the christening ceremony of the ten planes given by the Shanghai populace, the *Lih Pao* expressed the hope that the planes, being contributed by the sweat and blood of the people, will not be used for the bombardment of the Chinese people.

Five Nanking Planes to Be Christened Oct. 31

Five fighting planes, purchased by the people of Nanking at a total cost of $700,000 as their birthday gifts to Gen. Chiang Kai-shek, will be christened at the Ming Palace Airdrome on Oct. 31. The ceremony will precede by one hour the group dedication of all the birthday planes from all parts of China, which will be held at 9 o'clock in the morning.

A message from Canton, Oct. 26, stated that if contributions continued to pour in at the present rate, Canton is likely to be able to present General Chiang Kai-shek with 20 planes on the occasion of his 50th birthday.

$5,000,000 Collected for Gift Airplane Fund

About $5,000,000 has been collected so far for the purchase of gift airplanes, a message from Nanking Oct. 27 stated. The amount was said to be sufficient to purchase 50 powerful fighting airplanes to strengthen the nation's air defences. The amount, it is understood, does not include the contributions from Chinese in foreign countries and other lump sum donations by banking institutions and individuals.

Catholics Will Hold Prayer Service on Gen. Chiang's Birthday

Besides presenting a number of gift planes, the Catholics in China will unite to pray for Gen. Chiang Kai-shek, president of the Executive Yuan, on Oct. 31. Under the guidance of Monsignor Zanin, Apostolic Delegate to China, an impressive prayer ceremony will be held at the Cathedral on the Stone Drum Road. In addition a gigantic assembly will be held on Sunday, Nov. 1, at the same Cathedral under the guidance of Dr. Yu Pin, the new Bishop of Nanking, to pray for Chiang.

"Nippo" Reports 40 Government Divisions Stationed in Northwest

The *Shanghai Nippo* Oct. 26 stated that with a view to carrying out his plan for the "reorganization" of the troops under the command of Gen. Chang Hsueh-liang, Gen. Chiang Kai-shek has moved 40 divisions of Government troops to the Northwest. These troops are spread over the provinces of Shensi, Kansu, Ninghsia and Szechwan.

First Trans-Pacific Air Passengers Arrive in China

The first trans-Pacific flights with passengers by the *Clipper* ships (in both directions) were made as per schedule and without mishap. Prominent among the passengers westward from the United States was Roy Howard, of the Scripps-Howard newspapers, who gained the distinction of being the first person to make a trip from New York to Shanghai in 12 days. His performance was, however, eclipsed by Harry Frantz of the *United Press* service who arrived at his headquarters in Washington at 11 a.m. Oct. 24 after making the trip eastward from Manila in six days, six hours and 37 minutes. Mr. Frantz after landing from the *Clipper* at Alameda made the trip to Washington via Newark by the *Orient Flyer* and *Florida Flyer*.

The *Philippine Clipper* arrived at Macao from Manila at noon Oct. 23, this being the first time that the Pacific Ocean had been spanned in its entirety by a commercial air liner. The *Clipper* took off from Alameda, California, on the afternoon of Oct. 14, the trip being in the nature of a "pre-view" flight. In addition to Mr. Howard, the following persons made the trip over from Manila to Macao and later also came to Shanghai: Juan Trippe, head of Pan-American Airways and his wife; Harold Bixby, wife of the Far Eastern manager of Pan-American Airways; Carl Luder, Manila manager; Senator McAdoo, Secretary of the Treasury during President Wilson's regime, and his wife; Cornelius Vanderbilt Whitney, chairman of the Board of Directors of Pan-American Airways. Most of these passengers had arrived in Manila this week by the same machine from America.

Mr. Howard, however, arrived here first, having boarded the regular Canton to Shanghai C.N.A.C. plane at Hongkong (where the *Philippine Clipper* called after reaching Macao), arriving here (Lunghwa Airport, 4 p.m. Oct. 24) several hours before the other members of the party, who made the trip on an unscheduled amphibian. Mr. Howard and other members of the party proceeded from here by plane to Nanking and Peiping Oct. 26 Mr. Howard was accompanied on the trip from Hongkong by John R. Morriss, Far Eastern manager of the *United Press*. Mr. Howard had left New York on October 12, boarding a trans-continental plane at Newark, N.J., at 4.10 p.m. E.S.T., and flying to Alameda, Calif., where he met the Pan American *Philippine Clipper* for the first regular passenger flight across the Pacific.

C.N.A.C. Opens Station at Hongkong

Kuo Min stated Oct. 22 that satisfactory arrangements for the establishment of a station of the China National Aviation Corporation at Hongkong have been made by Tai En-chi, general manager of the Corporation, with the British authorities in Hongkong.

Sino-Japanese Aviation Corporation Inaugurated Despite Denial

The *Sin Wen Pao* states that despite the repeated denials made by the local authorities, the Weitsung Company, which will handle all affairs concerning the air traffic between China and Japan in future, was formally inaugurated Oct. 23, the

Japan to Train 500 to 600 Civil Pilots a Year

Continuing its campaign to strengthen Japan's civil aviation, the Ministry of Communications Oct. 24 decided to appropriate annually Yen 3,000,000 to train between 500 and 600 pilots. The project, Ministry officials said, will be materialized with the assistance of the Nippon Students' Aviation League, through the assignment of military instructors to colleges in Tokyo, Osaka, Nagoya, Sapporo, Sendai and Fukuoka.

Soviets Work on Plan to Open Air Route to United States Through North East Siberia

A conference called by the Chief Administration of the Civil Aviation of the U.S.S.R. recently discussed the problem of air routes from the U.S.S.R. to the United States. Aviators, engineers, members of scientific-research institutes and Arctic explorers who spoke at the conference pointed out that the most practicable direction of this international air route crosses the North-eastern part of the Soviet Union. The work of Soviet aviators in this region and the brilliant flights accomplished by Levanevsky with Levchenko, and Molokov, prove that regular communication between these two countries is fully possible, it was said.

Britain Orders American Warplanes—Airplane Stocks Rise

Great Britain has turned to American manufacturers in an effort to rush the air expansion program since British factories are unable to deliver sufficient equantities of planes within the required time. British factories have orders for many months ahead. The American Martin and Curtiss Wright companies are scheduled to receive orders for twin and single-engined light bombers. As a result there has been a sharp rise in the price of American airplane stocks.

British Start Air Service to Mediterranean

The *Canopus*, the first of the new 17½-ton Imperial Airways flying-boats for service on Empire air routes, departed from Rochester, in Kent, for the Mediterranean Oct. 23, thus starting a regular service to the Mediterranean next week. She is equipped with four engines, which generate 4,000 horse-power and give her a speed of nearly 200 miles an hour. The *Canopus* is the first commercial aircraft to have twin decks. Her height above the water is 29 feet. Remaining liners of this class, 28 of which are now under construction at Rochester, are likely to be delivered from the works at the rate of one per month. It is stated that the performance of these boats has greatly exceeded the stipulations of the contract, both in time allowance for take-off and in fuel consumption.

World's Most Modern Hangars Being Constructed at Singapore

Reuter states that the world's most modern hangars and air-drome offices are now taking shape in Singapore. The steel frames of two double hangars, measuring 300 ft. by 150 ft., have been hoisted into position. These hangars, which are of similar dimensions to those at Croydon, will have concrete block walls. Each hangar will be divided into four separate fire-proof compartments.

Passengers on "Philippine Clipper" Entertained by Dr. T. T. Lee

Passengers of the *Philippine Clipper* were guests of honor at Nanking Oct. 27 at a tea reception given by T. T. Lee, director of the Intelligence and Publicity Department of the Ministry of Foreign Affairs. The party included Juan Trippe, president of the Pan-American Airways and Mrs. Trippe, Cornelius Vanderbilt Whitney, chairman of the Board of Directors of the Pan-American Airways, and Mrs. Whitney, and Roy Howard, editor of the *New York World Telegram*. Willys R. Peck, Counsellor of the American Embassy, and Mrs. Peck were also present at the function.

Latest Thing in Airplanes Designed Around Ford V-8 Engine

The latest thing in airplanes has been designed around the Ford V-8 engine, lightened and adapted for aircraft use by removing or modifying the generator, water pump, oil pan and gear mechanism. The durability and economy of the automobile engine have been preserved. A side by side seating arrangement with wheel dual control makes for convenience in instruction and congeniality on cross country flights. The plane has a speed of 100 miles per hour and a cruising range of 380 miles, using the ordinary automobile gasoline and oil.

Shanghai City Government Protests Against Activities of Japanese Plain-Clothes Officers

In view of the repeated misunderstandings which have resulted from the activities of Japanese plain-clothes officers in Chinese territory, the City Government of Greater Shanghai has lodged a strong protest to the Japanese Consulate-General, demanding that these activities cease.

Chapei Residents Warned Not to Have Trouble with "Foreigners"

In a notice issued by the City Government of Great Shanghai Oct. 21, residents in Chapei and Kiangwan were warned not to get into trouble with "foreigners" visiting Chinese territory. Severe punishment will be meted out to those who fail to abide by the order, according to the notice.

Six Nipponese residents reported to the Japanese Consular Police in Shanghai Oct. 26 that, while returning from a fishing trip the previous afternoon, they were surrounded by a hostile Chinese mob, which threatened to maltreat them. The trouble started when one of the Japanese proceeded to tear down an anti-Japanese poster.

Chinese Apologize for "Incident" in Chapei

In reply to the verbal protest lodged by the local Japanese Consulate, the City Government of Greater Shanghai, tendered a formal apology Oct. 22, expressing their regret for the attack on two Japanese officers by Chinese residents in Chapei, Oct. 21, the the *Hwa Mei Wan Pao* Oct. 23, stated.

Left-Wing Dramatic Organizations Persist, Says Japanese Journal

The Shanghai *Nichi Nichi* reports that, despite the attempts at suppression by the local authorities, the anti-Japanese left wing dramatic clubs, such as the "Small Experimental Sunday Theatre" and the "Ma Yi (Ants) Dramatic Club", are still in existence, and are making full preparations for the establishment of a club for all dramatic organizations in Shanghai by the middle of October.

Japanese Military Resident Officer Takes Up Tsingtao Duty

Major Nakao Yahagi, newly appointed military resident officer in the Shantung, assumed his duties Oct. 26. The office has recently been created by the War Ministry. Major Yahagi formerly served with the Special Service Division of the Kwantung Army in Mukden.

Large quantities of munitions arrived at Tsingtao this week on a Japanese warship.

$100 Reward Offered for the Arrest of Every "Traitor" in Shansi

Orders have been given to members of the "Righteousness Party" to augment their campaign for the apprehension of traitors and spies in Shansi. A sum of $100 will be given as a reward to anyone who effects the apprehension of a traitor or spy, according to the decree, the *Ta Kung Pao* stated Oct. 22.

Artillery Maneuvers Staged by Chinese Troops in North

Artillery maneuvers were staged by the 29th Route Army outside the city gate of Peiping Oct. 22. Meantime, on the same date about 3,500 Japanese troops paraded through Chinese territory.

Japanese Warship Arrives in Shanghai with Munitions

The Japanese warship, *Shibokaze*, which arrived in Shanghai from Japan Oct. 26 brought a large quantity of munitions. Four Japanese warships arrived here at the same time.

Smuggling Activities in Northwest Reduced, Says Fu Tseng-hsiang

Smuggling activities in Shensi, Shansi, Kansu and Ninghsia have been greatly reduced as a result of strict preventive measures taken by the authorities, according to Fu Tseng-hsiang, representative of the Ministry of Finance, who returned to Peiping Oct. 22.

According to statistics compiled by the Tientsin Customs, the loss in revenue as the direct result of smuggling in Tientsin during the period of August 1, 1935 to Oct. 4, 1936 amounted to over $34,600,000.

Twenty-six bags of smuggled sugar, transported on sampans by Japanese "ronins," were detained by Customs officers at the International Bridge in Tientsin Oct. 21.

Consumption Tax Abolished in North China

A decree was issued by General Sung Cheh-yuan, Chairman of the Hopei and Chahar Political Council Oct. 25, ordering the abolition of the Hopei and Chahar Inspection Bureau, which was established a month ago to impose a consumption tax (one-eighth of the Custom Tariff), on smuggled goods. It is understood that, as a result of the enforcement of the consumption tax, a large quantity of sugar and artificial silk has been smuggled into the interior from Tientsin.

Both China and Japan Prepare for War, But China Will Not Fire the First Shot

BY C. Y. W. MENG 孟長泳

"THE Chang-Kawagoe negotiations have been broken off;" "a Sino-Japanese war is imminent;" "The Chang-Kawagoe conference is bound to be a failure." These are some of the current declarations that one hears in public or in gossip at home or in whisperings on the streets. As for the Japanese, they constantly report to their people at home on movements and centralizations of Chinese troops in this or that place, thus creating a dangerous war psychology in the minds of the public. Rumors such as these were the cause of our people fleeing from Chapei recently to the International Settlement and for the sending of wives and children to country districts in the interior.

But will China and Japan fight? When will they fight? Let us discuss this question:

In previous articles I have discussed the merits of the policy of "In order to resist the aggression from outside we have first to pacify conditions within"—also known as the "realist policy." The outbreak of the "student movement" in Peiping in the winter of 1935, which spread like wild-fire, caused Nanking to change to a policy of "we will not abandon peace, unless there is no hope for peace; and we shall not talk sacrifice lightly, unless we are being driven to the extremity," etc.

Japan's Jealousy Over Chinese Unification—Five-Province Autonomy

Before the outbreak of the South-West revolt, Japan, in furthering her aggression in China, had adopted a policy of treating every issue as a "local" issue by applying strong pressure on the local authorities to force them to agree to the Japanese terms; and at the same time, by employing a policy of "intimidation," to force the National Government to recognize the *fait accompli*. Such had been the Japanese policy in dealing with the Chinese since the signing of the Tangku Agreement. When the South-west revolt broke out, Japan resorted to her old policy of "playing-off the Chinese against the Chinese;" of dividing China; and of plunging China into another internecine civil warfare. Sino-Japanese history is full of instances showing that Japan is most jealous of Chinese national unification.

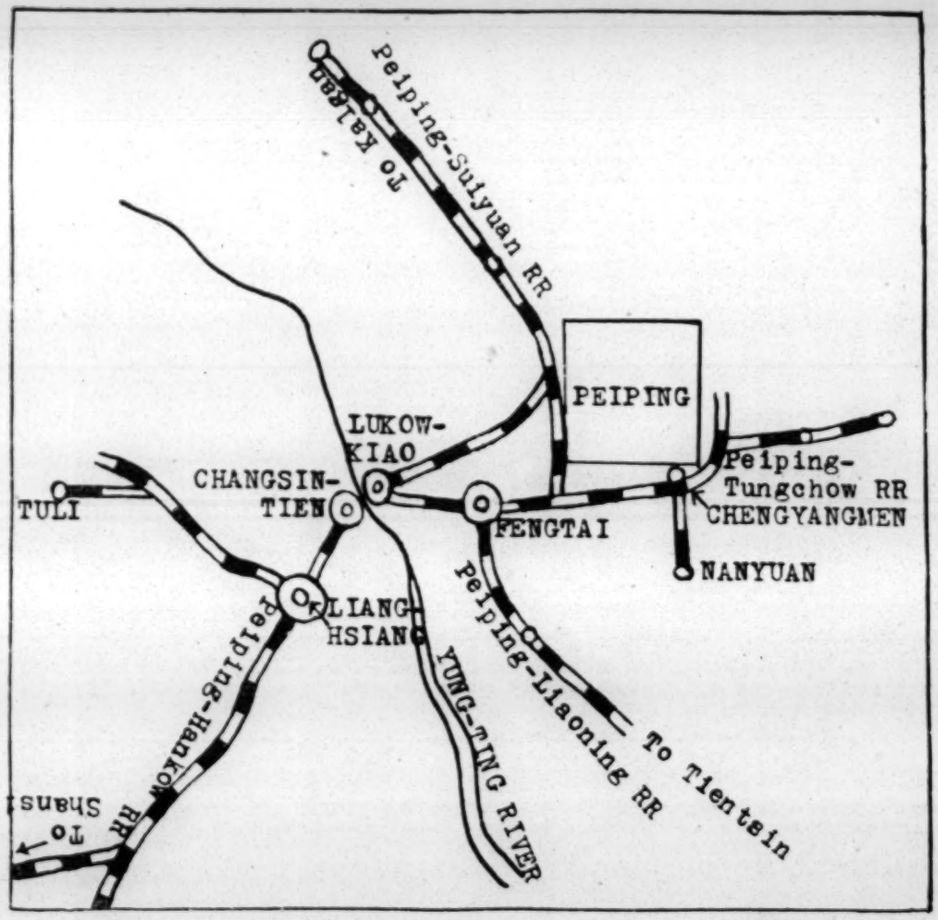
To the great surprise of the Japanese, the "Nanking-South-west dispute" was quickly settled, and the "revolt" proved to be a "blessing in disguise" in effecting national unification.

When China was not united, Japan's policy of "treating every issue as local issue" worked well. But with the change of the situation in China, Japan's policy could no longer be effective, as formerly. So Mr. Kawagoe, the Japanese Ambassador to China, had to proceed to Nanking to start the "Chang-Kawagoe negotiations"—that is "direct negotiations" with the National Government.

According to the decision reached at the meeting of high Japanese military leaders from North China, the Kwantung Army and "Manchukuo," it was decided to take the following action to realize the formation of a "Buffer State" in North China:—

(a)—In order to cause North China to be independent from China, besides resorting to the old tactics of employing the activities of Chinese traitors, so as not to arouse the reactions of the Chinese people, and to draw opposition from the powers, the Japanese would exert full and strong pressure to force the Hopei-Chahar authorities to sever contact with the Central Government. In order to do so, the Japanese would, besides resorting to political means and intrigues of playing-off the Chinese against the Chinese, increase the Japanese garrison forces in North China to the same strength as the 29th Route Army under General Sung Chi-yuan. This time, the increase of Japanese forces would take place in the name of forming "volunteer corps" or "the reserve," etc., so as not to arouse public attention.

(b)—For the time being, Japan would wait for the outcome of the Chang-Kawagoe conference. But in case of necessity, military actions would be resorted to. The Kwantung Army and the Japanese garrison forces in North China would act in close cooperation. While the former would despatch the Manchukou and Jehol troops to attack Chahar, Suiyuan and Tatung (Shansi Province), the Japanese garrison forces would attack the 29th Route Army to force them to sever themselves from their Fatherland.



Points marked with double circles show where the Japanese "autumn maneuvers" are taking place in North China from October 24 to November 5.

(c)—The Japanese navy would be asked to despatch a squadron to concentrate themselves at Chiaochowan to bring strong pressure to bear upon General Han Fu-chu, Chairman of Shantung Province.

The "Autumn Maneuvers"—Meaning and Significance

Beginning from Oct. 24, for ten solid days, huge Japanese military maneuvers were held in North China. No less than 7,000 troops participated, not to mention the number of "volunteer corps," "the reserve", etc. This time the maneuvers will not confine themselves to practice street fighting in Tientsin of Peiping, but will be extended to many places, such as Fengtai, Lukowkiao, Chang-Sin-Tien, Liang-Hsiang, etc. A glance at the map will reveal to us that the "autumn maneuvers" are by no means of an ordinary character, but are full of meaning and significance!

Fengtai is situated at the cross-section of the Peiping-Liaoning Railway, the Peiping-Hankow Railway and the Peiping-Suiyuan Railway. It is the center of communications and transportation in North China, and is one of the most important railway sections of all railways in North China; it is the most strategic place in North China. Lukowkiao,

Chang-Sin-Tien and Liang-Hsiang are of same importance to the Peiping-Hankow Railway, and to the territory north of the Yellow River. Fengtai, together with the other three places are regarded as the "throat" to the Peiping-Paotingfu, Peiping-Tientsin and Peiping-Hankow and Peiping-Liaoning lines. Once Fengtai is occupied by the "invaders," Peiping-Hankow and Peiping-Liaoning communication would be cut, and Peiping and Tientsin would be isolated and lost. Once Lukowkiao, Chang-Sin-Tien, and Liang-Hsiang are occupied by the "invaders," the territory north of Yellow River would be in danger.

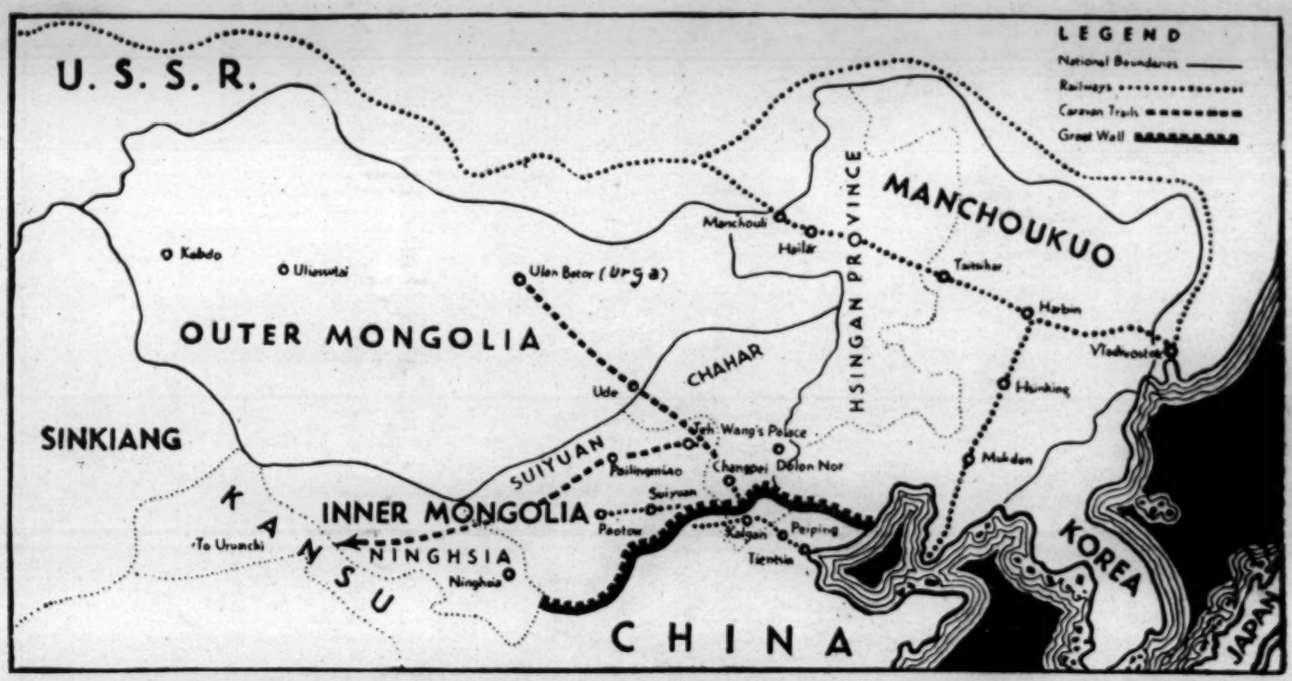
Whether after the maneuvers (ending Nov. 5), the Japanese troops will stay in these places or whether the Peiping-Hankow, Peiping-Suiyuan and Peiping-Liaoning lines will be cut, and eventually controlled by the "invaders", time alone can tell. The Chinese circles have already entertained much fear that such is really the "motive" of the "autumn maneuvers." But be it one or the other, one thing is quite certain, that is: After the maneuvers, the Japanese garrison forces in North China would be "greatly increased" in accordance with the "decision" of the Japanese military leaders!

—and many other high officials from North China. It is generally believed that the North China situation was brought up during the meeting, and that "concrete plans" were made whereby "China must maintain the territorial and administrative integrity of these provinces."

The above is sufficient to show some of the Chinese reactions in face of Japanese aggression. The Chinese national feeling is burning; the Chinese are no longer so "timid" before Japanese "intimidation", "warning," etc.; and the Chinese "sickness" of fearing the Japanese is now cured after "national unification treatment."

From "5-Province" to "3-Province" Autonomy—Japan Bargaining for China's Acceptance

In face of such Chinese reactions against Japanese aggression, it would be of equally great interest for us to note what are the Japanese reactions? Really, it is a surprise to us that when the Chinese negotiators presented some "concret measures" or "counter demands" against the Japanese demands, and when China gave a straightforward "no" to the Japanese demand for



The above map, reproduced from August "Asia Magazine," indicates the relative positions of the Japanese protected state of "Manchukuo," Inner-Mongolia now on the point of domination by the Japanese, and Outer-Mongolia, controlled by Soviet Russia.

The Chinese National Feeling Is Burning

In face of such aggression, it would be of great interest to note what are the Chinese reactions? Possibly, it dismayed the Japanese nation that the Chinese negotiators at the conference were brave enough to present some "concrete measures," which were nothing more than "counter demands" against the Japanese demands or proposals. General Chiang, in his speeches and his conversation with Mr. Kawagoe, informed the Japanese officials and people that China wants to "protect her territorial and administrative integrity", and that China "will not sign any agreement derogatory to her sovereignty." Not only this, the professors in Peiping issued another manifesto denouncing the Japanese aggression in North China, etc. According to another report (*Tsun Wan Yet Po*, Hongkong, Oct. 4), "the people in different provinces have despatched telegrams to the National Government to reject the Japanese demands, and to resist. In view of the people's resentment, the Central authorities have decided to reject all Japanese demands. Not only this, China demands that the Japanese naval forces in Shanghai should be withdrawn, and the political power of Eastern Hopei should be restored to China, and then China would open negotiations. At the same time, instructions have been given to all provinces to prepare for eventualities. Should Japan disregard reason (or right), and invade the territory, the people could put up resistance."

Coming to North China, there is another despatch of interest (*Tsun Wan Yat Po*, Hongkong, Sept. 25) which reads: "The feeling against Japanese aggression among the subordinates officials of the 29th Route Army is very intensified. The subordinate officials have repeatedly petitioned General Sun Chi-yuan to resist. But owing to the circumstances, they could not but be patient again. The Japanese have also paid great attention to General Sung's attitude."

In the meantime, another "historic meeting" took place in Hangchow when General Chiang met General Han Fu-chu, Chairman of Shantung Province,—for the first time after many years, 5-Province Autonomy, the Japanese ambassador did not jump to his feet, and leave Nanking at once, and the Japanese garrison forces in North China did not start bombardments. Instead, current report has it that according to the "new decision" reached at another meeting of high Japanese militarists, a "new plan" was drawn up, which divided the 5-Province autonomy into two periods; the autonomy of Shantung and Shansi being scheduled in the "second period." What the Japanese aim at is the 3-Province autonomy, namely Hopei, Chahar and Suiyuan (*Shun Pao*, Oct. 19). But according to another earlier report (*Shun Pao*, Oct. 6) Japan is even willing to "lower down the price" to 2-Province autonomy—that is, only Hopei and Chahar. What the Japanese want is: (1) Reorganization of the political, military and educational organs in North China; (2) withdrawal from North China of 53rd Army (under Gen. Wang Fu-ling, formerly under Marshal Chang Hsueh-liang); 32nd Army (under General Shang Chen); 63rd Army (under General Feng Chi-hai), and (3) reorganization of the 29th Route Army into "Pao An Tsui" (Peace Preservation Corps), and to reduce the whole Army to two-fifths of its present strength, with General Sung as the chief-in-command. According to another report, Japan would even agree to employ "other ways" to settle these problems, meaning 5-Province autonomy and joint front vs. the communists; and Tokyo further opines that "there is good ground for the 'reconsideration' of the whole Japanese plan!"

There are also reasons why the Japanese have somewhat "softened down," and are bargaining with China instead of taking military action at once, and we may state some of them as follows:—

First: Japan realizes well that to apply the policy of "intimidation" when the Chinese national feeling is burning will constitute a strong "provocation," which will lead to war with China. What Japan wants is not so much war but another "cheap

(*Continued on page 315*)

Increasing Seriousness of Japanese Drug Traffic at Harbin

BY THE REVIEW'S HARBIN CORRESPONDENT

APPARENTLY fearing that foreign pharmacies might compete with Japanese drug dealers, the authorities have recently issued a curious ruling, which should have the attention of every one interested in the question of preventing the spread of the narcotic evil in Manchuria.

On October 10, a delegation of the local pharmaceutists called on Mr. Ohsita, chief of the sanitary department of the police, and inquired about a recent ruling forbidding foreign pharmaceutists to sell any medicines without a doctor's prescription in each case. The delegation maintained that, since the sale of simple medicines, as cough drops, ointments, etc., without doctors' prescriptions, constituted an important part of their business, the ruling should be modified to allow them to carry on the business as usual. To this, Mr. Ohsita explained that the recent police ruling referred only to the sale of narcotics and habit forming drugs in general by foreign pharmacies and that it in no sense forbade them to dispense the simplest medicines as they have done it heretofore.

The regulation is interpreted here as intended to eliminate a possible competition of foreign (principally White Russian and Jewish) pharmacies in the drug trade against Japanese pharmacies, which dispense drugs without any restraint whatever. An announcement to this effect, printed in the *Harbin Times*, a principal Japanese organ in the Russian language, in its issue for October 11, said. "All foreign pharmacies having in stock narcotics and habit forming drugs have to declare about them to the police station, filling in a special declaration to that effect, whereupon the police will issue special permits for dispensing these drugs in accordance with existing regulations. Upon the presentation of such permits, the Japanese wholesale dealers in drugs and narcotics will deliver the required quantities of drugs to pharmacies. The latter will, however, have to keep accounts of the drugs dispensed together with doctors' prescriptions for each sale."

The regulation somewhat normalizes the drug trade in Harbin whereby the foreign pharmacies are put in direct dependence upon Japanese wholesale dealers, who, as usual, operate without any control whatever. The foreign pharmaceutists simply laugh at this as a pretencious ruling, since they never trade in drugs in their pure form as Japanese pharmaceutists, tobacconists, photo-dealers, etc., specialize in this trade, selling heroine, cocaine, morphine and opium freely, without any police control whatever. As a result of this "free" trade, one may find the drug dispensed by every street vendor, in every corner, say, at every ricksha stand, and at prices ranging from a dime a "shot" (about 3 cents in U.S. currency). Naturally, such cheapness has placed the drugs within easy reach of all, young and old.

All efforts of the public bodies to fight the ever-increasing evil of the drug habit, especially amongst the younger set, are nullified by the *laisezz faire* attitude of the puppet authorities, who do not take any measures of suppressing the dispensing of deadly drugs by Japanese dealers, despite the heart-rending appeals of parents of the victims. Such attitude of the authorities cannot be interpreted otherwise than as a deliberate policy of poisoning the Manchurian population through narcotics sold freely (except to the Japanese) and at such low prices.

«ХАРБИНСКОЕ ВРЕМЯ». ПОНЕДѢЛЬНИК, 12 октября 1936 № 278 (1756).

Спасите погибающую молодежь!

Призыв общества старожилов Харбина.

Много бедствий и несчастий, много горя и унижения выпало на долю Русской эмиграции и Русских бѣженцев, но одно из самых страшных бѣдствій, жгучим позором и стыдом нашей православной эмигрантской жизни является шествие среди нашей эмигрантской молодежи с наркотиками.

Страшная зараза наркоманія глубоко пустила корни в самую толщу эмигрантской жизни, с каждым днем шире и развѣтвляется, отравляет самые истоки нашего существованія.

Наша надежда, наше будущее есть заключается в лучших ее чертах, в нашей молодежи, которая предназначена претворить в жизнь наши стремленія и чаянія на лучшее будущее, на свѣтлое возрожденіе нашего народа, на нашей родины. И вот мы видим теперь на каждом шагу, как эта молодежь, сбѣгущая, полная жизненных сил, отказывается от естественных в ея возрастѣ радостей жизни, предпочитая неестественные удовольствія, доставляемыя наркотиками — героином, эфиром, кокаином и проч. С ужасающей быстротой наркотики губят физическія и моральныя силы, разрушают здоровье. По улицам нашего города бродят, как тѣни, исхудалыя, изнеможенныя женщины, выпрашивая подаяніе. Если ли вы преследуете отвращеніе и всмотритесь, то убѣдитесь, что это совсѣм молодыя по возрасту; но потерявшія человѣческое обличье женщины. Онѣ не вызывают уже и сожалѣнія, а только одно отвращеніе своим истасканным грязным видом, а между тѣм всего два-три года назад это были молодыя привлекательныя женщины и дѣвушки.

Быстро происходит ужасная дегрдація молодых наркоманов. Днем и вечером вы встрѣтите их на бойких улицах Пристани, рядом с нарядной Китайской улицей, пріучившіеся от солнечного свѣта и яркого электрическаго освѣщенія, в подозрительных притонах по ночам они злобно курюю, и накурившись, стоят или сидят тут же пѣлыми часами, остекленѣлые, с безсмысленным не подвижным взором. Ныне дѣвушки, видимо брошенныя и родными и близкими, в одурѣлом своем состояніи являются под забором, и под окны ту дѣлается, или встрѣчаются прохожіе куда и ранше.

Нерѣдко несчастные наркоманы сидят парами и группами: это товарищи и товарки, научившіе друг друга пагубно му - порку. Обученіе происходит нерѣдко еще на школьных скамьях, тайком от старших. Извѣстны случаи, когда старшіе братья и сестры заражали младших своим ужасным пороком. Этот порок между семьями жертвами не дѣлает ни плановых ни социальных различій. Курят бѣлыми, курят дѣти за живочных обезпеченных семей.

Сколько семейных драм возникает на этой почвѣ! Несчастные наркоманы изгоняются из родной семьи, потому что они заражают окружающих своим пороком, потому что вѣчно нуждаясь в деньгах на покупку яда, они становятся ворами, тащат из дому деньги и дорогія вещи. На улицах и в саде Для этого нужна только наша горячее за поцѣлуй просят полрать медяки, ними организованные учения и труды.

Неужели и в дальнѣйшем продолжится та нарушка, которую мы наблюдаем сейчас и тѣ же. В Сегапом, культурном городѣ, обилующем хрѣмами и молитвенными домами церквями вѣроисповѣданій, большими и прѣятами, в городѣ, горящемся своими культурными учрежденіями, своей культурной жизнью. Чуть ли не ежедневно наполят трупы несчастных наркоманов, и это на

ность и хулиганство, глупое молодечество заставляют протянуть руку за папиросой, предлагаемой опытным в порокѣ товарищем, убѣждающим только попробовать», что это такое. Опыт сдѣлан, получается острое ощущеніе, наслѣдованіе или удовольствіе, затѣм первый опыт повторяется и с удивляющей быстротой пріобрѣтается привычка к яду, без которой уже не хватает собственных сил.

Не называйте этих одурманивающихся юношей балбесами и идіотами, не считайте продающихся девушек проститутками по натурѣ с врожденной порочностью. Это только зараженные дети. Зараза висит в воздухѣ, проникает во всѣ углы и закоулки, внѣдряется в сосѣдніе дома, а завтра проникнет в ваш дом, вашу квартиру, чтобы отнять от вас самое дорогое — ваших дѣтей. Это та же чума, не знающая ни каких преградѣй и барьеров, губящая живое живое существо на своем жертвующих пути.

Человѣчество научилось побѣждать чуму объединенными усилиями государств, общества, медицинской науки. И та зараза, которая губит и косит нашими рядами нашу молодежь, должна быть побѣждена

леніе волю и порядок дня.

Правительство и администрація уже отдали первые шаги по борьбѣ с пороком. В отдѣльных случаях наркоманы подвергаются принудительному леченію.

Широкіе круги общества должны поддержать эти мѣропріятія. Наше Бюро Русских эмигрантов не окажет в своем содѣйствіи.

Должны быть созваны собранія общественных дѣятелей и сѣдущих лиц.

Нужно выработать по указанію медицинских врачей плоскат разумных мѣропріятій, которыя немедленно нужно осуществить. Необходимыя экстренныя средства найдутся, если будет приложена нужная энергія. Существует же он, уже спасательная станція для спасенія дѣвушек, дезертировавших с вышеуказанного и выловленія двух дѣвушек утопленников. А тут на улицах, на наших глазах тонут сотни юношей, гибнут безвозвратно. Неужели мы не сможем организовать дѣйствительныя практическія мѣры для их спасенія?

Обращаемся ко всѣм общественным организаціям, ко всему Русскому обществу, ко всѣм мыслящим людям с сердцем, с прискорбием подумать о мѣрах борьбы с вопіющим злом.

Нужно созывать совѣщанія, нужно принять разумныя рѣшенія и начать борьбу не теряя времени.

Каждый день несет новое зло, новыя гибели молодых жизней.

Предсѣдатель Правленія Общества Старожилов

І. ХАИНДРОВ.

Секретарь П. ТИШЕНКО.

The above is a reproduction of a clipping from the Russian paper in Harbin, described in the accompanying article, which contains an appeal written by the "Society of Old Russian Residents of Harbin," against the wholesale distribution of habit-forming drugs among the Russian youths of North Manchuria. The document is a damning indictment of the Japanese-fostered narcotics trade.

Considerations of space do not permit the citing even the most glaring cases of deaths through drug-taking, but the following appeal of the Society of Old Residents of Harbin, published on October 12 and translated here *verbatim*, should bring home the idea of the situation in Harbin and Manchuria generally in respect to drugs:—

Save the Perishing Youth!

"Much sorrow and misfortune have befallen the Russian emigres in their exile but none is so dreadful and ignominious in our daily life as the passion of our youth for drugs. The dreadful epidemic of narcomania has firmly rooted itself in the very core of the Russian emigres and is spreading with fearful rapidity, poisoning the very sources of our existence.

"Our hope, our very future is borne by our youth, destined to carry on the fight for the realization of our ideals, hopes and aims in the future, for bringing about the rebirth of our nation and country. Yet, in the everyday life we observe, on every step, how our youth, still growing up and full of hopes, abstains from natural joys of life and turns to ignonimous pleasures, derived from narcotics—heroine, ether, cocaine, and so on. With dreadful swiftness, the narcotics destroy the physical and moral forces of young men, destroy their health.

"Along the streets of our town, roam as shadows, lank and emaciated, figures of young women, living by alms. If you cast away natural repugnance and observe them closely, you will see that they are quite young women, though they have lost all shape of human beings. Their sight does not even arouse a sense of pity but that of unshakable repugnance by their dirty and worn-out looks. Yet only two or three years ago they were young and charming women and girls.

"Swift is the degradation of young addicts. Day and night you will see them in the side streets of Pristan, side by side with glistening Kitaiskaya Street, hiding from the sun and bright lights of the night in dens, where they obtain the poisonous smoke, stand or sit there by hours in stupor with insipid and mad looks in their eyes. Some girls, apparently abandoned by relatives and friends, lay unconscious in gutters and are the easy preys of sexual appetites of coolies and ricsha pullers.

"Now and then, you see the unfortunate addicts sitting in pairs or in groups; they are friends and pals, having taught each other the dreadful habit. Sometimes the habit is acquired on school benches, stealthily from their elders. There are known cases where elder brothers and sisters have taught the younger ones the vice. There is not discrimination in nationality or social position; all, smoke rich and poor alike.

"Many have been the family dramas and tragedies because of this vice! The unfortunate addicts are driven out of houses, as they contaminate the family members by their vice; to satisfy their craving, they steal money and other things out of the house. In streets and parks, the well-dressed young girls exchange kisses for a dime, not enough to buy the drug. Not only kisses are offered. Prostitution amongst women addicts is a common phenomenon. By selling their bodies they obtain the money necessary for buying the drug. And think that only two-three years ago these unfortunate creatures, now without any trace of shame or conscience, were studying in middle schools, gave much hope and were full of joy and cheer.

"With youthful carelessness and curiosity, the foolish bravado raises a hand for a cigarette, offered by a friend-addict for a "try-out." The trial is made; it gives a sensation of pleasure and cheerful excitement; the experiment is repeated and with the dreadful swiftness forms a habit for the poison against which the victim has no power to resist.

"Do not call these victims fools or idiots; do not regard the girls selling themselves prostitutes *per se*. They are infected people. The infection hangs around, it permeates through every corner and dark place, it penetrates into the houses of neighbors. To-morrow it will penetrate into your house, your flat, in order to take away the dearest you have, your children. It is like the plague, knows not the obstacles and barriers, and destroys every living being on its death-sowing path.

"By dint of common efforts of states, society and medical science, humanity has put down the plague. And the infection which destroys our youth by columns should be put down by common will, organized effort and labor.

"Is the picture which we have just described to continue any longer? And where? In the rich and civilized town, full of churches and praying-places of all denominations, hospitals and asylums, in the town proud of its cultural establishments and civilized life. To find a dead body of an addict laying in the streets has become a phenomenon of every day occurrence.

"The authorities have taken the first steps to fight the evil. In isolated cases, they subject the addicts to compulsory treatment in hospitals.

"The society should assist in these measures. The Bureau for Administration of White Russian Affairs will not abstain from extending its assistance. Conferences should be called of social workers and experts. It is necessary to work out a program of rational recreation which should be enforced forthwith. The money necessary for combating the evil will be found. What is necessary is the will to fight.

"We have a special station on the river to save the lives of a dozen careless swimmers or to pick out the bodies of two dozen drowned. Here, in the streets, under our very eyes, die hundreds of youths, never to be regained again. Are we to fail in finding truly effective measures for their saving?

"We appeal to all social organizations, to the entire Russian society, to all thinking people with hearts, to think out the measures for fighting the dreadful vice. It is high time to call up conferences, to work out rational measures and to fight the evil, and without losing a moment!

"Every day brings a new vice and loss of young lives!"

(Signed) I. HAINDROFF, Chairman
Society of Old Residents of Harbin.
P. TISCHENKO, Secretary,

It is hardly necessary to add anything to this heartrending appeal. Yet, it should be observed that the appellants dare not advocate the suppression of the drug traffic by Japanese nationals as they know very well that it is a stroke of the government policy similar in effect and aim to the organized smuggling of Japanese goods into China. However, there is only one escape from the situation, to flee the country, and the Russians appear to be doing it by flocking into old good China, where the authorities are reported to be fighting the evil of narcotics at the cost of beheading the ignominious drug-traffickers.

Harbin, October 15, 1936.

Lung-Hai Railway to Be Extended to Tientshui

Definite plans for the extension of the Lung-Hai Railway from Paoki, western Shensi, westwards to Tientshui, south-eastern Kansu; and from Tienshui southwards to Chengtu, provincial capital of Szechuan, via Liangtang, Hweihsien and Chenghsien, south-eastern Kansu, and Kwangyuan, northern Szechuan, have been decided upon. Survey corps will set out for Paoki shortly.

Railway from Canton to Swatow Is Latest Project

Now that the trouble between the Central Government and Kwangtung has been definitely liquidated, the Ministry of Railways is making active preparation for the construction of a railway to connect Canton, provincial capital of Kwangtung, with Swatow, the principal seaport of the province, the *Shanghai Nippo* of Oct. 23 stated.

Construction of Szechwan Railway to Be Started in December

Owing to the non-completion of surveying work, the construction of the Chengtu-Chungking Railway which was originally scheduled to be started toward the end of this month, will likely be postponed to a later date, a message from Chungking Oct. 22 stated.

Dr. Wei Wen-pin, Assistant General Manager of the China Development Finance Corporation, and the members of the French Banking syndicate, returned to Shanghai end of last week after completing arrangements with the Szechuan Provincial Government regarding joint investment of capital for the construction of the projected Chengtu-Chungking Railway.

Arrangements between Chinese and French interests for the building of the Chengtu-Chungking Railway are reported to be proceeding satisfactorily. Construction materials will be sent to Chungking from Shanghai immediately and it is expected that construction of the line will be started in December this year.

Construction Work on Chung Cheng Bridge Proceeds Rapidly

Construction work on the gigantic Chung Cheng Bridge across the Kan River at Nanchang, which was begun last November, is now rapidly proceeding.

Sixty Killed and 30 Injured in Canton-Hankow Rail Crash

Sixty persons, including 53 soldiers, were killed and 30 others injured when four crowded coaches ran headlong into an approaching train at Tengchiatang, south Hunan, near the Kwangtung border on Oct. 22. This was the third serious accident to occur on the newly-completed line since it was thrown open to traffic in September.

Reported Sino-Japanese Railway Project in Fukien Denied

Current reports concerning a new railway linking Foochow with Yenping in central Fukien under joint auspices of the Chinese and Japanese interests were branded as absolutely groundless by Chen Ti-cheng, Reconstruction Commissioner of Fukien, when interviewed by *Central News* Oct. 23. The Fukien provincial authorities, Mr. Chen declared, have never considered any plan for the construction of a new railway between Foochow and Yenping; as the two cities are connected by the Min River, it is not necessary to construct any railroad at present.

Kwangtung Negotiates for New Highways

Negotiations are underway between the Kwangtung provincial government and the Chekiang, Anhwei, Hunan, and Fukien authorities respectively for the inauguration of through highway traffic between Kwangtung and said provinces.

History and Status of the Kuomintang

BY FANG CHIH

(Acting-Publicity Director of the Central Kuomintang Headquarters in the Oct. 10 issue of the China Press)

THE political trend of the world has, during recent years, undergone a definite and radical change, and with this change there has come a new political set-up in the world. Parliamentary or representative form of government, once considered as the ideal method in the conduct of political affairs, has, almost everywhere, suffered a sudden eclipse; while, the system of dictatorship—particularly party dictatorship—began to assert itself with brilliant ascendency. It is true that England, France, and America are still holding on tenaciously to their traditional forms of democratic practice; but such powers as Italy and Germany have now definitely adopted a dictatorial form of government as a means to bring about national revival.

Fang Chih, Acting Publicity Director, Central Kuomintang Headquarters, Nanking.

When one examines the working efficiency of this "withering" Democracy," the reasons responsible for this radical change are not far to seek: for democratic form of Government, however efficient it may function in ordinary times, becomes hopelessly incompetent when confronted with extraordinary circumstances. In case of extreme national emergency, it is obvious that any measure the execution of which requires a quick and unanimous decision cannot be easily rendered effective by a popular or representative body. And it is doubtful whether any decision arrived at by such a body can be considered as an expression of the true will of the people. On the other hand, dictatorial power exercised by a strong party—if the party possesses a definite set of principles with a concrete program of action, a solid and systematic organization with rigid discipline—will, in time of extreme danger, survive with greater administrative efficiency.

Since the Kuomintang, or the Chinese Nationalist Party, played a tremendous role in the establishment of the Chinese Republic and exercised a profound influence over the destiny of the Chinese people, it is perhaps appropriate at this time to review briefly the history, the long struggle, and the ultimate success of this great revolutionary Party.

The name Chung Kuo Kuomintang, or the Chinese Nationalist Party, was first officially used in the year 1924. Chronologically speaking, the Party underwent five successive periods of evolution before it reached its present designation. These five periods may be briefly classified as follows:

1.—*The Hsing Chung Hui*, or Society for the Regeneration of China (1894-1905).

The Hsing Chung Hui was founded in the year 1894, when China was hopelessly involved in the Sino-Japanese War. Its formation was, in fact, the natural and inevitable outcome of that struggle. With the country facing a disastrous defeat, Dr. Sun Yat-sen became firmly convinced that nothing short of the overthrow of the corrupt Manchu regime and a complete change of the political system could save the Chinese nation from permanent dissolution. Accordingly, in 1894, he founded the Hsing Chung Hui, the first revolutionary society, among a small group of compatriots in the Hawaii Islands. The purpose of the society was to arouse the overseas Chinese to the helplessness and impotency of the Imperial Government, and to enlist their aid for its overthrow. In order to make known its aims and purpose, the society issued a comprehensive manifesto as to its program of action. Unfortunately, most of the overseas compatriots at that time were indifferent, and in some cases even hostile, to the cause. Consequently, the society, in spite of its noble aims and purpose, had but a score of members. But the nucleus of a great future revolutionary society was then definitely formed.

2.—*The Chung Kuo Ke Ming Tung Ming Hui*, or the Chinese Revolutionary Alliance (1905-1912).

By this time the number of Chinese students studying abroad had been greatly increased. Imbued with the ideals of the West and inflamed by the appeal of Dr. Sun's revolutionary principles, these young men began to take an active interest in the cause of the revolution. As a result, in 1905, a convention was held in Brussels, Belgium, for the purpose of organizing a more solid revolutionary society. At this convention more than thirty new members pledged themselves to the cause of the revolution. A second convention was held in Berlin in the same year, with twenty more new members added to the Alliance. Then followed a third convention held in Paris; more new members readily joined the Alliance. Up to this time the name of the Alliance had not yet been definitely decided upon, and its organization was not yet on a permanent basis. Therefore, in July, 1905, another convention was held in Tokyo. The results of this convention were most encouraging; a few hundred new members were added to the Alliance. It was then decided that the Alliance should henceforth be known as Chung Kuo Ke Ming Hui, or the Chinese Revolutionary Alliance. As the Alliance was a secret organization, its abbreviated name, Chung Kuo Tung Ming Hui, or the Chinese Alliance, was to be used. At this convention, Dr. Sun was elected manager of the Alliance, and under his direction, a definite program for the Alliance was formulated, and a comprehensive manifesto was issued. From that time on, branches of the Alliance began to spring up, both in China and abroad, in rapid succession.

3.—*The Kuomintang*, or the Chinese Nationalist Party (1912-1914).

At the time of the formation of the Kuomintang the Manchu Dynasty had already been overthrown, and a republican form of government was established in its place. With the country under a republican form of government, it was felt by certain members of the Alliance that henceforth any great national issue could best be settled through the representative assembly. Therefore, the Hung Ming Hui, which was definitely a revolutionary society, was transformed into a political party known as the Kuomintang.

4.—*The Chung Hua Ke Ming Tang*, or the Chinese Revolutionary Society (1914-1920).

During this period Yuan Shih-kai was in supreme power. But he soon proceeded to abuse that power first by his unconstitutional dissolution of parliament, then by his attempt to set up a monarchy for himself. For a time the success of the revolution, attained only at great sacrifice, seemed hopelessly lost, and the country was once more thrown into a state of confusion. As the results of Yuan's action, Dr. Sun became firmly convinced that the Kuomintang, which was purely a political party, could no longer assume the responsibilities which a revolutionary program involved.

Consequently, in 1914, he summoned to Tokyo all the true revolutionary elements of the Kuomintang and formed the Chung Hua Ke Ming Tang, or the Chinese Revolutionary Society. In order to give a new impetus to the cause of the revolution new members were recruited by the society, a more vigorious revolutionary program adopted, and a more systematic organization effected. Yuan Shih-kai's regime proved to be short-lived, and the young Republic was thus saved from destruction.

5.—*The Chung Kuo Kuomintang*, or the Chinese Nationalist Party (1920——).

As early as 1916 Dr. Sun had felt the urgent need of reorganizing the Chinese Revolutionary Society into a more solid and systematic party, but nothing definite was made towards this end until 1920. In November, 1920, a general conference was convened at Shanghai, in which tentative plans for a thorough reorganization of the society were discussed. It was finally decided that the society should henceforth be known as Chung Kuo Kuomintang, or the Chinese Nationalist Party, but the proposed reorganization of the society was not carried out immediately.

In October 1921, a special Party Reorganization Conference was called. In order to give effect to the proposals for reorganization adopted by the general conference of the previous year, Messrs. Liao Chung-kai, Lin Sen, Sun Fo, and six others were appointed as Provisional members of the Central Executive Committee. A Provisional Central Executive Committee was formed, to which was entrusted the power to carry out the reorganization program, to frame a party constitution, to issue a comprehensive manifesto regarding the recent reorganization of the Party, and to take charge of the registration of the various party branches.

In January, 1922, the First National Congress was convened in Canton. The Constitution of the Party, as drawn up by the Provisional Central Executive Committee, was

unanimously passed, and the famous Manifesto of the First National Congress was also made public. In concrete terms the Manifesto painted a vivid picture of the real conditions of China. It advocated the immediate obliteration of all reactionary elements in order to complete the task of national revolution, and the practical application of the San Min Chu I, or the Three Principles of the People, as the sole road to national salvation. The political platform of the Party was also minutely set forth.

Ever since the publication of this manifesto the position of the Party has become daily stronger. Its principles, its aims and purpose, have completely won the sympathy and encouragement of the entire Chinese people. Its organization is ever expanding; its membership increases by leaps and bounds. Thus, within two scores of years, it has elevated itself from a position of obscurity, that of a secret revolutionary society, to a position of respect and honor, that of the most powerful political party of the nation.

From the history briefly outlined above, it will be seen that the Chinese Nationalist Party and the Republic are one and connot be separated. Under the Manchu regime there was misrule from within and foreign aggression from without. Every intellectual, therefore, favored the idea of revolution so that the country might be saved. Nevertheless, the masses were illiterate, and hence popular support was lacking. Furthermore, the revolutionary plot was difficult because of strict censorship. The Chinese Nationalist Party under Dr. Sun's leadership was the only organization to take up the task. From the first revolutionary uprising at Canton in 1895 to the famous battle at Wuchang in 1911, there were numerous revolutionary plots which eventually caused the downfall of the Manchu Dynasty. In its place a republican form of government was established.

The Nationalist Movement of 1926 is the most outstanding chapter in the Chinese revolutionary history. Prior to that eventful year, China was not a united nation because the warlords established themselves in various provinces and did not take orders from the Central Government. Under such circumstances the program of national reconstruction could not be carried out. The successful expedition of the Nationalist Party cleared all obstacles of national unity. In spite of famine, communist-banditry and foreign aggression during the last decade, the building of a new China was pushed ahead under the guidance of the Nationalist Party. The results can be enumerated as follows: Many attributes of a sovereign nation have been restored to China through the revision of the unequal treaties; the percentage of illiteracy has been reduced by means of popular education; and the transportation system has been improved by the buliding of highways and railways. In addition, agricultural products, water conservancy, and industries are in the process of improvement. Even though the progress cannot be compared with that of the western nations, the whole program of national reconstruction constitutes the building up of modern China. The impetus toward such goal has been furnished by the Nationalist Party. And there are evidences indicating that China will soon obtain equality in the family of nations.

From the standpoint of history, it can be concluded that the Nationalist Party is the founder as well as the protector of the Republic. Without the organization of the Nationalist Party the birth of the Republic would be indefinitely postponed; without its continued fight there would be serious doubt whether the Republic could still exist today; and without its military expedition China could hardly be unified. This difficult mission, which is not yet completed, must be carried on. Therefore, we should give our support to the Nationalist Party in order that its task can be accomplished in the near future.

The Present Organization of the Nationalist Party

A.	National.....	National Congress.	Central Executive Committee
B.	Provincial.....	Provincial Congress	Provincial Executive Committee
C.	District.....	District Congress..	District Executive Committee
D.	County.....	County Congress..	County Executive Committee
E.	County Branch.....	County Branch Congress..	County Branch Executive Committee

Directly under the Central Executive Committee are numerous departments and Committees, such as the Publicity Department, the Organization Department, etc., for the handling of party affairs. The organization of these departments and committees is under the direction of the Central Executive Committee, to which they are also directly responsible. The organization of the various party branches under the Provincial Party Headquarters is also decided upon by the Central Executive Committee.

The Organization of Party Branches in Special Areas is as follows:

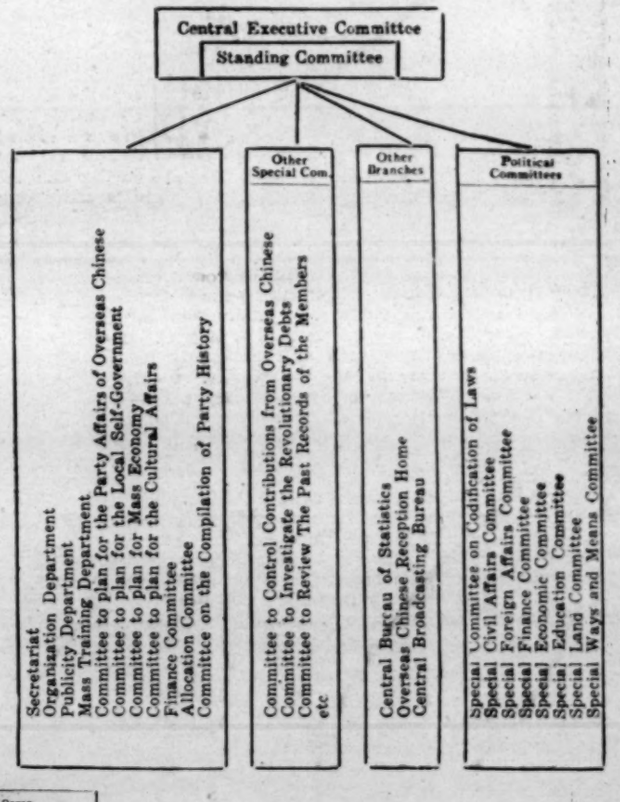
A. Any special area which has not yet attained a provincial status, such as Mongolia and Tibet, its Party Headquarters shall have the same status at the Provincial Party Headquarters.

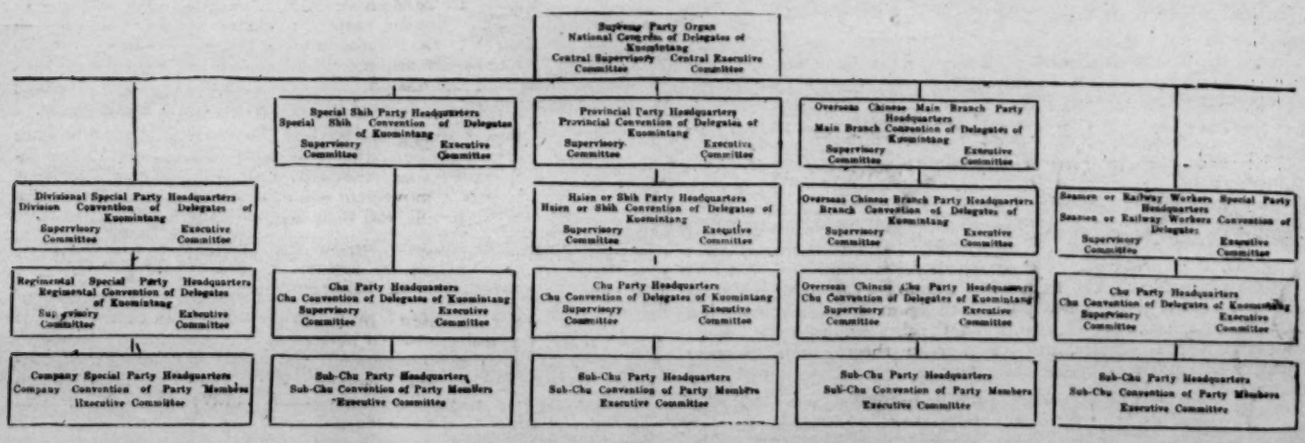
B. Special City Party Headquarters shall have the same status as the Provincial Party Headquarters, i.e. directly under the direction and supervision of the highest Party Organ.

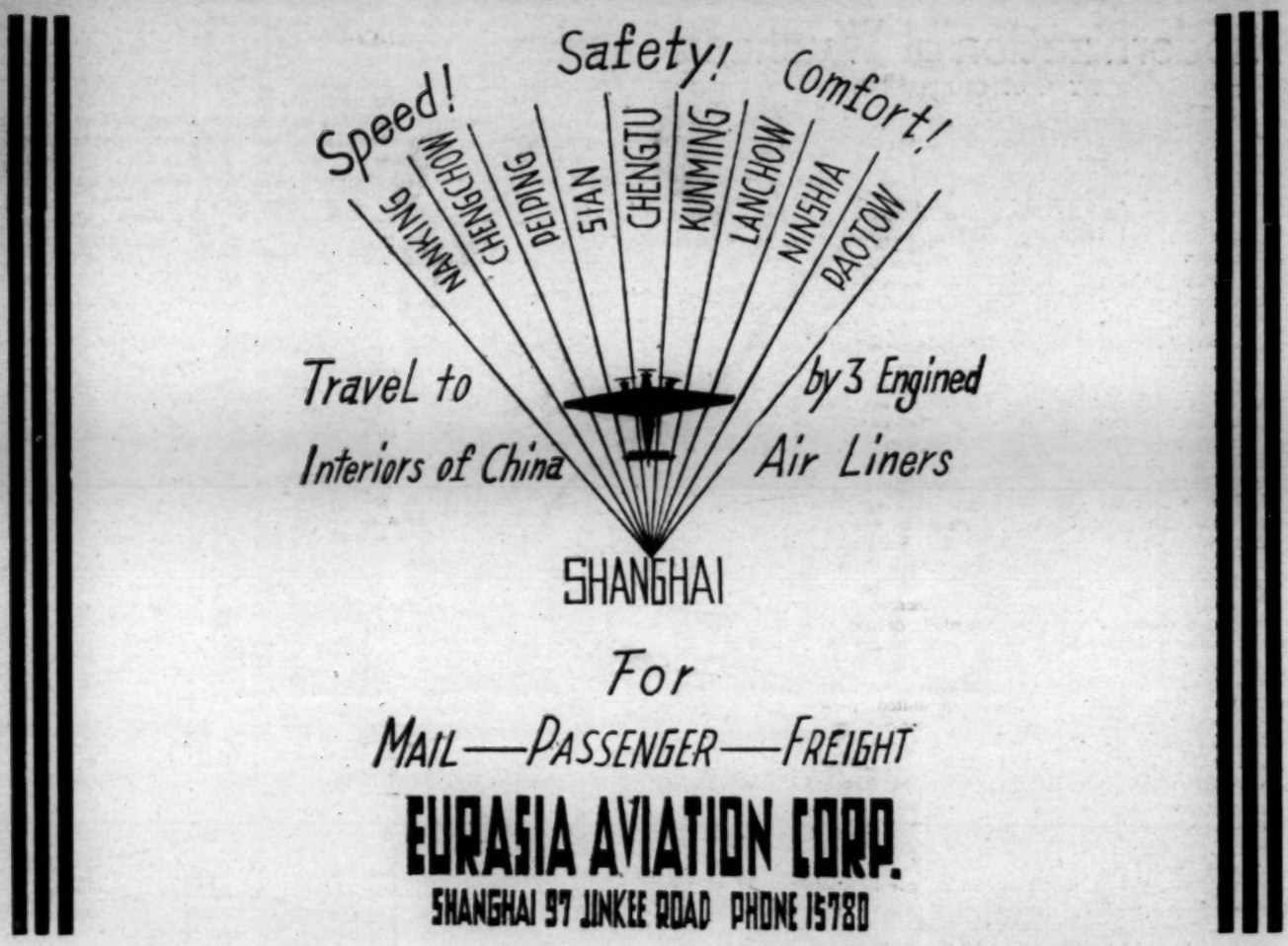
C. Party Headquarters in important towns and counties shall have the same status as the district Party Headquarters, i.e. directly under the direction and supervision of the Provincial Party Headquarters.

D. The Overseas Party Headquarters shall have the same status as the Provincial Party Headquarters, and their branches shall be equivalent to district branches, their sub-branches shall have the same status as the county branches.

Chart Showing the Present Organization of the Kuomintang Central Executive Committee


Central Executive Committee
Standing Committee
Secretariat
Organization Department
Publicity Department
Mass Training Department
Committee to plan for the Party Affairs of Overseas Chinese
Committee to plan for the Local Self-Government
Committee to plan for Mass Economy
Committee to plan for the Cultural Affairs
Finance Committee
Allocation Committee
Committee on the Compilation of Party History
Other Special Com.
Committee to Control Contributions from Overseas Chinese
Committee to Investigate the Revolutionary Debts
Committee to Review The Past Records of the Members
etc
Other Branches
Central Bureau of Statistics
Overseas Chinese Reception Home
Central Broadcasting Bureau
Political Committees
Special Committee on Codification of Laws
Special Civil Affairs Committee
Special Foreign Affairs Committee
Special Finance Committee
Special Economic Committee
Special Education Committee
Special Land Committee
Special Ways and Means Committee





Twelve years have passed since the convocation of the First National Congress, held in Canton, January 20th, 1924. Since that time the Congress has been in session five times, and members of the Central Executive Committee and Central Supervisory Committee have been elected also five times. The following chart shows the Congress in sessions and the composition of the Central Executive Committee and Central Supervisory Committee elected at each Congress.

The Five National Congresses	Date	Place
The First National Congress...	Jan. 20, 1924	Canton
The Second National Congress...	Jan. 4, 1926	Canton
The Third National Congress...	March 18, 1929	Nanking
The Fourth National Congress...	Nov. 12, 1931	Nanking
The Fifth National Congress...	Nov. 12, 1935	Nanking

Members of the Central Executive Committee and the Central Supervisory Committee

The Five National Congresses / The Number of the Members	1st	2nd	3rd	4th	5th
Members of the Central Executive Committee	24	36	36	72	120
Reserve Members of the C. E. C....	17	24	24	60	60
Members of the Central Supervisory Committee	5	12	12	24	50
Reserve Members of the C. S. C....	5	8	8	22	30
Total Number	51	80	80	178	260

Peiping Student Manifesto Warns Against Danger of Compromise

The Students' National Salvation Association of Peiping Municipality have issued a manifesto in response to the manifesto issued by the Peiping university professors.

After pointing out that Kawagoe's assumption of office as Ambassador to China marks the beginning of positive action on the part of Japan to further encroach upon China, the manifesto says that the students of Peiping Municipality recognize the following elements in the situation and advocate the following measures in dealing with it:

1.—We recognize that the present aggressive action of Japan against China is in line with Japan's consistent tactics of "winning their objectives without fighting." During the past two months, the Japanese, by a series of manipulations and incidents, have at times created a tense situation in Sino-Japanese relations and at others eased the tension. In doing so, they on the one hand bring pressure to bear on China, while on the other, they attempt to induce the Chinese government into submission. At present, we observe that there is no immediate outbreak of a great war between China and Japan, because Japan can continue to pursue her policy of "winning without fighting."

2.—We recognize that amid the present Sino-Japanese negotiations conducted under armed pressure of our enemy, there is a dangerous possibility of conclusion of a new disgraceful compromise. Such a compromise, if concluded, will mean a most serious blow to the Chinese movement for national salvation and deprive it of all its spiritual and material conditions. In other words, if such a compromise should be concluded, China will lose its status as an independent country and the Chinese people will never be liberated.

3.—We recognize that the only way to save the country from the present crisis is the unity of the entire Chinese people. Unity does not mean that the people are under the unified control of an individual dictator, but under one principle. That principle is to struggle for national existence through resistance against Japanese aggression; to struggle for racial liberation, unity does not mean merely to seek for internal peace and security. It means a united front against external aggression.

4.—We recognize that at the present moment when the Chinese nation is struggling for liberation, the Student Movement continues to be center of the national salvation movement. The students are the supporters and leaders. Therefore the student movement should deserve the attention of the Chinese people and their support and guidance.

Finally, the students voiced their support of the manifesto issued by the newspapers' association in Nanking and Shanghai and the manifesto by the Peiping university professors.

The above manifesto of the Peiping students was in response to a recent manifesto issued by a group of professors in Peiping in which the National government was urged to send armed forces to East Suiyuan. The manifesto of the Peiping professors was reinforced by a manifesto on the same lines issued by professors and industrialists in Shanghai last week.

Modernization of Wuchang

BY S. Y. CHI (季世英)

UNDER the intelligent supervision of the late Gen. Yang Yung-tai, Chairman of the Hupeh Provincial Government, substantial progress was complished in all lines of reconstruction work in Wuchang during the past ten months. This medieval city of Wuchang, stretched about with cobwebs of narrow and dirty streets crowded by low and dark houses, has been rapidly disappearing and is being gradually turned into a modern metropolis.

The juxtaposition of Hankow, a commercial city, Hanyang, an industrial locality, and Wuchang, the provincial capital of Hupeh and a political center,—commonly known as the Tri-cities of Wu-Han which are separated from each other by the Yangtsze Kiang and the Hsiang Ho rivers,—culminated in their growth into the great political, cultural, industrial, commercial and economic citadel of Central China, the Chicago of the Far East.

The new Drum Tower arch-bridge now under construction and part of the Chung-Cheng Road lined with uniform buildings, new and attractive. It is the down-town section where big business-houses are situated. Note the specially-trained policy on duty.

Wuchang has been known, since time immemorial, as a place of political importance which was brilliant characterized in the democratic revolution of 1911. Aside from political fame, there are other advantageous points—higher location, beautiful landscape, moderate temperature, reasonable standard of living, and attractive relics of historic interest which so much impressed the provincial authorities that a very elaborate plan has been prepared for the express purpose of reconstructing and modernizing Wuchang at this opportune time when the Canton-Hankow Railway is just completed. Every effort is now being strained to carry out the rebuilding plan with expedience and care.

1. *Road Building.* Of all work, the question of better communication and transportation is the first to be tackled; hence, road-building is ranked in the foremost. As soon as the southern section of the Chung-Cheng Road, a main thoroughfare of the modern boulevard design, was completed in August, reinforcing work was at once started on the construction of the northern section of the same line which, when completed, will measure more than 2,000 meters in length and 20 meters in width including sidewalks of 4 meters wide each. At the same time, large numbers of laborers are working day and night on the construction of these lines of higher traffic utility. They are Shu-Yuan Road, 650 meters; Cha-Wu Road, 900 meters; Lin-Ying Road, 4,930 meters; Tzu-Yang Road, 2,010 meters; and Ku-Tung Kai, 900 meters and their width varies from 20 to 45 meters. Modern sewerage is being laid whenever new roads are built. Repairs of old roads are kept going on in progressive stride.

The Han-Yang-Men Jetty. In the background is the Huang-Ho Lou, or Yellow Stork Chamber, relic of the Three Kingdoms. On the left is the bus station and on the right (not shown in the picture) is located the jetty for the Wuchang-Hankow ferry service.

2. *Public Works.* A magnificent arch-bridge, called Nan-Lou Ta-Chiao, is being built on the same site as that of the ancient Drum Tower, which was torn down to make room for the new Chung-Cheng Road. The bridge connects the path on the ridge of Snake Hill. The Snake Hill Park will be enriched with more trees and flowers and artificial ornaments, while a new one is contemplated on a spot overlooking the picturesque Tzu-Yang Lake. At the extreme southern end of the Chung-Cheng Road, a long bridge called Wang-Hui Chiao is now under construction. It will facilitate communication with the Lien-Yu-Tao Station of the Canton-Hankow Line. Steps have been taken to build two model "people's residential quarters" within the convenient sections of the town as a means of better sanitary experiment. Other projects embrace the immediate construction of public cemeteries, markets and latrines.

The entrance and gate of the Provincial Government Headquarters.

3.—*Electricity and Waterworks.* In order to meet the growing demand of the public for both domestic and industrial consumption, the supply of electricity is being strengthened by the installation of two high-powered motor-generators. New lines are being installed and street lights very much improved. As regards the question of water supply, a total of 6,102 meters of steel pipes with sizes varying from four inches to one foot in diameter is being laid underground the newly-built roads, while the waterworks plant is to be improved and large filtration pools are to be built too.

4.—*Cultural Works.* The recent completion of the Provincial Library, a colossal building of modern architecture, answers in a large measure a long-cherished desire of the community. It is an erection of great cultural value that is truly needed in this city where the population is high and schools are many. Thousands of valuable books are collected thru purchases and contributions to enrich this treasure-house of knowledge. In the field of school education, more funds will be allotted by the educational authorities for the erection of new buildings for the middle and primary schools. The provincial recreation ground is to be expanded and improved equipment to be furnished.

5.—*Sanitation and Charity.* The Provincial-established Hospita is doing well in improving conditions. New medical and surgical instruments and modern equipment are being added, which are necessary in keeping a hospital running in good order. An asylum for the care and shelter of the destitute on a large scale is being contemplated to replace those work-houses which are run under poor conditions. The new one will be a charity home for poor people and orphans.

The back view of the Provincial Administration Building which will be ready for use on October 10. It is a three-story building accommodating more than 1,000 persons that form the entire staff of the Hupeh Provincial Government. It cost together with furniture, inside decorations and installation of modern conveniences only $80,000. The rooms are spacious and the windows admit ample light and fresh air.

6. *The Provincial Government Administration Building and Auditorium.* Since the introduction of administrative reforms that caused the amalgamation of the various departments of the provincial government, a plan for erecting a big administration building sufficiently large to accommodate the entire provincial staff of more than 1,000 persons under one roof had been under consideration for a long time. Now, the building has been completed and

was ready for use on October 10th, on which day all the offices of the six departments of the provincial machinery moved into the new structure. It is a three-storied building: the first floor houses the offices of the four departments of civil affairs, finance, reconstruction and education while the second floor contains the provincial secretariat and the peace preservation headquarters as well as the offices for the provincial chairman and his secretary-general. There are also rooms for holding meetings, receiving guests, etc. Within the same area there stands a newly-built provincial auditorium having a seating capacity of 1,100. It can be used for meetings, lectures as well as entertainment and cinema-showing purposes.

The Provincial Auditorium newly completed last month. It has a seating capacity of 1,100 and can be used for meetings as well as cinema-showing purposes. It is called Chung-Cheng Hall in commemoration of Generalissimo Chiang Kai-shek's meritorious service in suppressing the Communist-bandits in Hupeh and other provinces in Central China. The cost of building and furnishing amounts to not more than $26,000.

7. *Ferry and transportation.* For the purpose of facilitating communication and transportation between Hankow and Wuchang which are separated by the Yangtsze River, a fleet of large stream-lined boats are to be ordered for service on the ferry. New jetties and pontoons will be constructed to provide the best convenience to the public. Commencing this month, special night ferry service has been put into operation. All bus lines in the city are extended to the terminus-station at Hanyangmen so as to link up with the Wuchang-Hankow ferry service. All along the Bund and the lower part of the city, retaining-walls, costing $400,000, one and-a-half meters higher than the highest level of the unprecedented 1932 flood, were built to ensure the safety of Wuchang against another possible inundation for the next 50 years.

In general, there appears an all-round improvement in the progress of rebuilding Wuchang. New buildings are being erected and more shops opened. Business has begun to flourish. Future prospects are very promising. The recent completion of the Hankow-Canton Railway, which makes Wu-Han the center of China's overland, watercourse and airway communications, will bring new life and prosperity to Central China. All is for the best, *spero meliora.*

Wuchang, October 27, 1936.

Japanese Attempt to Get Interest in Chinchin Coal Mine

The Chinese owners of the Chinchin coal mine near the western border of Shansi are planning to expand operations. It may be recalled that the mine was first organized by the Germans and taken over by the Chinese during the World War. However, one-fourth of the shares were returned to the Germans after the war and it was stipulated that after 20 years these shares should revert to the Chinese owners again. It is reported that this 20-year period will expire in another six years.

At present, says the *Ta Kung Pao* Oct. 26, the Japanese are trying to secure a joint interest in the mine with the Chinese, but the Chinese authorities concerned are strongly opposing their plans.

Richest Iron Mine in China Comes Under Japanese Control

The Lungyen iron mine, which is second in production to the Anshan and Kungchanglin mines in Liaoning, has now also fallen into the hands of the Japanese with the recent understanding reached between the Chinese authorities and Japanese officials in North China, the *Chunghwajihpao*, Oct. 22, stated.

120 Ounces of Pure Gold Produced Last Month in Hunan Mine

Altogether 120 ounces of pure gold were produced during the past month in Lenchiahsie gold mine in Taoyuan in northern Hunan, a recent message from Changsha stated.

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Nanking Remits Stamp Tax to Provinces

The Ministry of Finance has decided to aid certain provinces in their financial difficulties by remitting them 30 per cent of the stamp tax collections made by the provincial authorities on behalf of the Central Government. This decision has already been made effective in the provinces of Anhwei, Honan, Shantung, Kiangsu, Chekiang and Hupeh.

Ministry of Finance Sends Half a Million Dollars to Kwangsi

To subsidize the administrative expenses of the Kwangsi Provincial Government, the Ministry of Finance Oct. 17 remitted a sum of $500,000 through the Central Bank of China to the Special Finance Commissioner's Office for Kwangtung, for transmission to the Kwangsi authorities.

Kiukiang Chamber of Commerce Issues Notes Without Governmen. Approval

Central News states that because of the issuance of subsidiary notes without the approval of the Government, the Kiukiang Chamber of Commerce has been given a stern reprimand by the Ministry of Finance.

Shansi Banknotes at a Discount

With the bank-notes of the province standing at a discount of 5 per cent as compared with the legal tender notes issued by the Central Government, Shansi's finances are in a parlous plight, with the situation continuing to get worse, a recent message from Taiyuan stated.

Nanking Clearing House Formally Inaugurated

After months of preparation, the Nanking Bankers' Clearing House, under the auspices of the Nanking Bankers' Association, was formally inaugurated in Nanking, Oct. 15.

First Batch of Changlu Salt Shipped to Japan

The first batch of Changlu salt, consisting of 6,400 tons, was shipped to Japan from Tangku Oct. 14.

Chung Wei and Kiangche Banks to Be Amalgamated

Arrangements have been concluded for the amalgamation of the Chung Wei and Kiangche Banks. It is reported that the total capital of the amalgamated concern will be $3,500,000.

Shanghai Banks to Invest $10,000,000 in Kwangtung

Shanghai banks have agreed to invest $10,000,000 in Kwangtung enterprises, according to reports published in the *Evening News*, Oct. 25.

September Movements of Gold and Silver

The *Shanghai Nippo* states that imports and exports of gold and silver through this port in the month of September were as follows: Gold, 4,005,308 (units) exported, with no imports; silver exported to U.S.A., $91,109,000; silver imported from Hongkong, $72,000.

T. L. Soong Reported to Have Resigned as Kwangtung Finance Commissioner

T. L. Soong was reported by vernacular newspapers in Hongkong, Oct. 26, to have resigned from the post of Kwangtung Finance Commissioner. Mr. Soong was appointed to this position following the collapse of the Chen Chi-tang regime last summer.

Bank of Eastern Hopei Will Open Nov. 1—Will Issue Large Quantity of Notes

The long-heralded inauguration of the Bank of Eastern Hopei will take place Nov. 1. The Bank will be capitalized at $5,000,000 and will issue a large quantity of paper notes to brace up the market in North China, the *Lib Pao*, Oct. 27 stated.

Drop in Yangtsze River Level Deals Blow to Farmers

Due to lack of the usual autumn rains, the water level of the Yangtse River has fallen to the lowest point recorded in the last 45 years. Difficulties thus caused to river navigation have resulted in an increase in freight charges between Hankow and Anking and Hankow and Changsha of about 25 per cent. In these circumstances, transportation of rice to Shanghai from Szechwan, Hupeh and Hunan provinces has become unprofitable.

Drought Refugees Killed by Police in Honan

Four drought refugees were killed and 13 others seriously injured as a result of a fierce clash with the Peace Preservation Corps at the Minchuan Railway Station near Kaifeng Oct. 20. Driven by hunger, 2,000 refugees from the interior gathered at the Railway Station and demanded a free ride to other cities for food and lodging. Upon the refusal of the police to permit them to board the train, the refugees started a mad rush, resulting in four being killed and several others injured.

The price of rice in Chungking is soaring, owing to drought in said area during the past two months.

Kansu Wants $800,000 as Famine Relief Fund

In view of the serious famine conditions now prevalent in many districts in the Langchow area, the Famine Relief Commission of Kansu decided Oct. 22 to petition the Central Government asking for an urgent remittance of $800,000 as relief funds.

Sailors of "Yat-Sen" to Suffer Death Penalty for Smuggling Opium

Two sailors of the warship *Yat Sen*, found guilty of smuggling sugar from Hongkong to Foochow in cooperation with a number of Formosans, have been sentenced to death by the Ministry of Navy, while two others have been given prison terms. The Chief Officer of the ship has been discharged and the captain degraded.

According to a circular order issued by the Hopei-Chahar Political Affairs Committee Oct. 25, no opium-smoking by public functionaries, either military or civil, will be permitted after Nov. 10. Anyone disobeying this order will be dismissed from office.

Smuggled Opium Seized on Board Chinese Cruiser "Tung Chi"

When the Chinese curiser *Tung Chi* arrived in Foochow recently, a search revealed four large cases of smuggled opium which had been put on board at Hongkong. The "tip" was given by the chief officer. As a result of the incident the captain was discharged by order of the Ministry of the Navy.

Shansi Maps Out Comprehensive Program to Combat Opium and Drugs

A program to combat the evils of opium and narcotic drugs in Shansi, as never before rivalled in comprehensiveness, has been mapped out by Gen. Yen Hsi-shan, vice-chairman of the Military Affairs Commission and Pacification Commissioner for Shansi and Suiyuan.

Ministry of Education to Use Radio and Cinema to Promote Mass Education

The utilization to a greater extent of the motion picture and the radio in the promotion of mass education in China was decided by the Ministry of Education Oct. 25. A sum of $50,000, it is learned, will be allotted by the Ministry for this fiscal year to purchase motion picture projectors which will be used in 81 areas in the country to accelerate the circulation of educational pictures.

Over 800 radio receiving sets, according to official statistics, have been installed in high schools and mass education institutes in the various provinces, in accordance with the order of the Ministry of Education.

Radio equipment to the value of $2,500,000 entered Shanghai from abroad during the first nine months of the current year, the *Shanghai Nippo* of Oct. 23, stated.

Tu Yueh-sen Makes Liberal Gift to Fuh Tan University

Tu Yueh-sen, prominent Shanghai banker and a member of the Board of Directors of Fuh Tan University, has consented to donate the entire amount of gifts, which he will receive for his 50th birthday, to Fuh Tan University. They amount is about $100,000.

Military Veterinary School Opened in Nanking

The opening exercises of the Military Veterinary School were held in Nanking Oct. 21 in the presence of General Ho Ying-chin, Minister of War, and Lieut.-General Hsiang Hsiung-hsiao, Director of the General Affairs Department of the Ministry of War. An address was made by General Ho.

Sun Yat-sen University to Be Removed to Nanking

Owing to the present circumstances in Peiping the Tsun Shan (Dr. Sun Yat-sen) University will be removed to Nanking from North China, the *Ta Kung Pao* of Oct. 23 stated.

Sino-French University Holds Memorial Service for Chow Shu-jen

The students of the Sino-French University held a memorial service for the late Chow Shu-jen, noted Chinese novelist, Oct. 22. Tsao Ching-hua, a friend of Mr. Chow, delivered a speech on the life and works of Mr. Chow.

Chiang Shih-chiao Appointed to Head Education Committee in North

The Hopei-Chahar Political Council has decided to set up an Educational Committee for North China, headed by Chang Shih-chiao as chairman. Mr. Chang held the post of Minister of Education in the old Peking Government and is known as an outstanding opponent of modern Chinese literature, being especially opposed to the "Pei Hwa" (popular language) movement.

Hu Han-min College to Be Established in Nanking

A sum of $1,000,000 has been decided on as the initial expenses for the establishment of the Han-min College in Nanking to perpetuate the memory of the late Hu Han-min, former chairman of the Standing Committee of the C.E.C., whose State Burial was held in Canton Oct. 25.

Peiping Educator Sentenced on Charge of Forging Documents

The Peiping District Court Oct. 25 found Lu Yun-chou, Director of the College of Agriculture of the National University of Peiping, guilty of deliberately using forged documents and sentenced him to three months' imprisonment. Sentence was however, suspended for two years.

BOTH CHINA AND JAPAN PREPARE FOR WAR, BUT CHINA WILL NOT FIRE THE FIRST SHOT

(*Continued from page 306*)

victory." Japan has achieved many "cheap victories" before through the policy of intimidation, but, as stated above, such policy is no longer workable today. China will resist, which means that even though Japan is victorious, it will be costly to Japan, both in money and blood. The prolongation of the war to half a year, not to speak of one year or more, will be disastrous enough to Japan, not to speak of a defeat for Japan, which will mean an immediate and complete collapse of the Japanese "Manchurian adventure!"

Secondly: The Japanese militarists have probably realized well that the financial condition of Japan, does not permit her to wage any war against China. The unwilingness and procastination on the part of Japanese financiers to come to the militarists' aid, and to invest more of their capital in industrial development of North China, despite the efforts of the militarists to induce them to do so, have done much to discourage the militarists from taking any hasty actions.

Thirdly. Present political conditions do not permit Japan to embark on a war with China. There is not only a divergence of views between the Japanese militarists on the one hand, and the Japanese civil and diplomatic authorities on the other, but there is also a discrepancy between the Japanese Army and Navy. "Finally, the Army sees as its special function the maintenance of the Watch on the Amur, while the Navy conceives as its mission the vindication of Japan's commercial and other interests in the South Pacific". (*Foreign Affairs*, Vol. 15, No. 1, p.132).

Fourthly.—The international situation is no longer so favorable to Japan as before. The German-Japanese "alliance" is not yet realized; the "clashes" with the Russians on the Russian-Manchukuo border have become more frequent than before, all of which have caused considerable worries to the Japanese militarists.

So what the Japanese saw most feasible was to go on with the old policy of pressing the local authorities for agreement. An economic plan of "five points" has been drawn up. (See *Shanghai Evening Post*, Oct. 21). But the vernaculars in China blossomed forth with ringing editorials unanimously opposing Japan's demands for the creation of a socalled "Special Area" in North China; her ambiguous proposal for a "Sino-Japanese joint front" against the communists; and the Japanese plans of "economic co-operation" with China in North China. According to another report (*Chung Kuo Jih Pao*, Nanking, Oct. 23), in the tentative plan, the Japanese have also demanded: (1) the liquidation of the infamous "Nishihara Loan," and (2) the re-opening of the "Chung Hwa Exchange Bank." As such loan and the said bank were known as Japanese "weapons" for economic exploitation of China, any proposal enbodying such items is sure to meet with the strongest opposition from the Chinese.

In other words, the Japanese aggression in China has become more intensified after the Chinese national unification; and the Chinese policy towards Japan is also changed after the national unification. But this does not mean that China and Japan will fight immediately. That China is most unwilling to fight with Japan at the present time goes without saying. That Japan is also not yet ready to wage another major war with China is also explained above. So, to say that a Sino-Japanese war is imminent might not be so correct. But on the other hand, in view of the wide divergence of views between China ("to protect the territorial and administrative integrity") and Japan ("to further their political and economic control of China"), to say that China and Japan will not fight is equally incorrect. That explains why both sides are vigorously preparing for war. But at any rate, China will not fire the "first shot," but China is sure to "return the fire" if she is fired upon. When she goes to war with Japan, she fights only a battle of "self-defence." But the whole catastrope would be averted if some international action were taken to make the "aggressor" bow down before the world public opinion.

Nanking, Oct. 24, 1936.

British Admiral Postpones Trip to Japan, Following Incident in Formosa

A trip of Vice-Admiral Charles Little, Commander-in-Chief of the British China Fleet to Japan has been postponed as the result of an incident in Formosa. According to reports, a small party of sailors from the 15,000-ton British submarine depot-ship *Medway* had gone ashore at Keelung for a stroll when they were arrested by Japanese police on suspicion of taking photographs of the fortified zone, removed to the police station and searched. One of the men was so roughly handled that his jaw was fractured. This incident followed a similar affair on Oct. 8, when Japanese officials boarded the *Medway* and questioned three British officers, alleging that they had taken photographs in the prohibited area in Keelung.

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Japan to Continue Wool Boycott on Australia

Reports from Osaka state that Japanese manufacturers of woolen goods and wool importers are making plans to continue the "boycott" of Australian wool, not only this year, but next year as well. The Japanese Wool Import Control Association has decided on an allotment of South African wool imports and also plans to increase the subsidy on South African wool to make up for the suspension of Australian purchases.

Britain Notifies Intention to End Indo-Japanese Pact

Moving to implement into action its announcement of Oct. 19 that the Ottawa Empire trade accords would remain in force until Aug. 20 next year, the British government Oct. 22 notified Japan of its intention to terminate the two-year-old Indo-Japanese reciprocal commerce treaty.

Tokyo Treasury Hopes to Pare Budget to Yen 2,900,000,000

Tokyo Treasury officials during the week continued their desperate efforts to pare down the submitted departmental budgetary estimates for 1937-38, exceeding Yen 3,200,000,000, by at least Yen 300,000,000.

Japanese Pig Iron Prices Go Up

Acting at the request of the semi-official Nippon Iron Manufacturing Company, the Ministry of Commerce and Industry Oct. 23 raised the pig iron quotation to Yen 49 per ton (from Yen 46.50 to Yen 47.50).

Japanese Cotton Industry Again Enjoys Boom

Prosperity has returned to the Japanese cotton Industry, as the result of increased exports abroad, gains in domestic consumption and a rigidly enforced curtailment of textile production, a survey of the industry issued in Tokyo Oct. 22 stated.

Yen Said Keeping Level with Other Currencies

Despite the recent devaluation move by the gold bloc countries, the value of the yen continues at the same level with the world's currencies, Yutaro Tomita, Financial Commissioner in London, told members of the Osaka Economic Research Association Oct. 20.

Tokyo-Paris Bond Feud Brought to an End

Bringing to a close a 14-year old feud between the City of Tokyo and French bond-holders, the Tokyo Municipal Assembly Oct. 20 ratified a compromise plan for the redemption of the 1912 Paris loan of Fr. 100,880,000. Under the terms of the compromise agreement, neither country will be bound by the Supreme Court rulings which have been handed down in Tokyo and Paris in connection with the case, and mature coupons and winning lottery tickets will be paid in cash in French francs.

Japanese Cool Towards Tripartite Fishing Agreement

Japanese government authorities are reacting coolly to reports that Canadian fishing interests were agitating for a tripartite treaty prohibiting Japanese floating canneries from operating in the east Pacific. Parties to the pact would be Japan, the United States and Canada. The agitation, reports reaching Tokyo said, was caused by the trial operations of Japanese fishing fleets on the high seas off British Columbia and off Alaska.

Japan-America Radiophone Rates Slashed

A radical reduction in the radiophone rates between Japan and the countries of North and Central America was announced in Tokyo last week by the Ministry of Communications.

Beginning on Nov. 1, a three-minute conversation between Tokyo and Vancouver, San Francisco and Los Angeles will cost Yen 0.72 instead of Yen 0.90 week-days, and Yen 54 on Sundays.

Japanese Idle Tonnage World's Smallest

With only 17,000 tons, representing 0.7 percent of the total Japanese merchant marine, laid-up, Japan has the smallest amount of idle tonnage, the Nippon Shipowners' Association announced Oct. 24.

Ten Formosan Plotters Sentenced at Tainan

Ten Formosans, headed by one Huang Ko, were sentenced at Tainan Oct. 22 by the District Court to imprisonment, ranging between two and four years, for taking part in a subversive movement designed to overthrow Japanese administration in the Island. The defendants were among hundreds of persons rounded up by the police two years ago.

Hirota, Terauchi, Nagano Talk on Cabinet Reforms

Plans for fundamental administrative changes advocated by the Defense Services were discussed Oct. 20 by Premier Koki Hirota with Gen. Count Hisaichi Terauchi and Admiral Osami Nagano, respectively War and Navy Ministers.

Hirota Averts Crisis, Accepts Army's Reform Plan

Averting a serious crisis, which was expected by some quarters to lead to a change of Cabinets, Premier Koki Hirota Oct. 23 accepted the fighting services' plan for drastic reforms in the local and national administrative machinery.

Japanese Naval Aviators Rescued After Being Given Up as Lost

Eight Japanese naval aviators, given up for dead following the disappearance three days previously of a large flyingboat on its way from Oshima Island, south of Tokyo, to Haohijo Island, were rescued Oct. 21.

Japan Electricity Society Backs Private Ownership Policy

The powerful Japan Electricity Society Oct. 23 emphatically recorded its belief in the private ownership and management of power plants.

Prince Saionji Reaches 88th Birthday

Prince Kimmochi Saionji, the only living "Genro" or "Elder Statesman," Oct. 23 modestly observed the 88th anniversary of his birthday, at his villa in Okitsu, near Shizuoka. He declined all congratulations from friends and admirers.

Death of Multimillionaire Yasuda Occurs in Tokyo

Zenjiro Yasuda, head of the vast Yasuda interests, second in wealth and influence only to the Mitsui and Mitsubishi concerns, died at Tokyo Oct. 23.

Japanese Fleet Is Reviewed off Kobe Following Two Months Maneuvers

Japan's sea might, represented by 107 fighting ships of all sizes and descriptions, was concentrated off Kobe and Osaka Oct. 25, as the Grand Fleet began preparations for a grand naval review Oct. 29. The Fleet ended two months of strenuous exercises on Oct. 24, with a sham battle supervised by the Emperor from the battleship Hiyei.

Japanese Competition in Singapore to Be Investigated

A committee is being appointed immediately by the Straits Colonial Government to investigate the growth of Japanese competition in the textile, rubber and shipping markets, over which British business circles at Singapore are becoming seriously alarmed.

Japanese Watch Cotton Spinning Industry in Philippines

The Tokyo *Nichi Nichi* Oct. 17 stated that with a view to removing industrial depression, plans are being made to make an advance of the Philippines where spinning mills are to be established by American capital. Because the Philippines consume some 100,000,000 yards a year, imported from Japan and the United States, there is full room for the activities of American mills on the islands. The coming cotton industrial mission from the United States is said to be intending to visit the Philippines and exchange views on this problem on its way back from Japan.

Japanese Stage Army Maneuvers in North China

Approximately 1,000 Japanese troops took part in maneuvers in North China early this week. From Oct. 26 to 28 local maneuvers were held in the Tientsin area, after which the whole body of troops proceeded southward to Fengtai where the "main battle" is being fought. All weapons, including tanks, are being used in the maneuvers. Even chemical warfare, the Japanese press stated, will be practised. There was a steady exodus of residents from the territory near the ex-Belgian Concession in Tientsin as a result of the decision of the Japanese military authorities to occupy 200 houses to accommodate 1,000 infantry and artillery troops for the staging of sham battles. On Oct. 18, two officers from the Japanese military headquarters at Tientsin proceeded to the branch police station in charge of the territory and asked the head of the police station to prepare 200 houses to accommodate 1,000 troops for a period of two and half days, from 3 p.m. on Oct. 26 until 2 a.m. on Oct. 29. They promised to pay ten cents for each soldier for the use of the houses during their two-and-half days' maneuvers. At Tachihku, the Safety Bureau was asked by the Japanese military authorities to prepare 120 cooking stoves, 10,000 catties of firewood, and a large quantity of candles. However, it was stated that these things were not paid for by the Japanese authorities. A near panic reigned among the populace in Tachihku and Hsiaosunchwang, two suburban districts about four miles from the city of Tientsin, with Japanese troops occupying 323 houses in the two villages.

For the ten-day period from Oct. 26 to Nov. 5, during which the maneuvers are in progress, all leaves of absence and days off for the Peiping police force have been cancelled.

U.S. and Netherlands Fleet Will Visit Singapore at Same Time Next Month

The U.S. Asiatic Fleet, including the flagship *Augusta*, the U.S.S. *Black Hawk* and ten destroyers, will visit Singapore on Nov. 16. The American warships, under the command of Admiral Harry Yarnell, the new Commander-in-Chief, will make what was described as an "informal visit to the Straits port," the first by American warships since the completion of the naval base. The American Fleet will arrive in Singapore during the goodwill visit of the Netherlands East Indies Fleet of twenty ships, resulting in the largest concentration of warships in the Straits in history.

Arrest of Editor and Banning of a South Fukien Newspaper

BY THE REVIEW'S FOOCHOW CORRESPONDENT

TSAI Min-liang, editor of the *Siang Pao*, newspaper in Sienyou, South Fukien, was taken recently into custody by Chow Shan, Magistrate of Sienyou. In the *Siang Pao*, dated Sept. 12, there appeared an item of news alleging that no money was available for the June educational expenses (the teachers of district schools have been underpaid). Magistrate Chow took it for granted that the publication of the report was an attempt by Editor Tsai to excite the hatred of local educators against the magistrate; he issued a warrant for the arrest of the latter. Editor Tsai was imprisoned for seven days and then released on condition that he sever his relations with *Siang Pao*. Meanwhile, the newspaper was officially banned. It was alleged that Editor Tsai was roughly handled when in jail, as there were said to be bruises on his body.

As soon as Editor Tsai regained his freedom, he went to Amoy, where he called on various newspapermen, soliciting their support of his cause—upholding the right for freedom of press.

Magistrate Chow, was highly indignant with Editor Tsai over his exposure of the secrets of the magistrate's yamen. In the words of Editor Tsai, "my newspaper is full of constructive criticisms concerning administrative affairs but at times there are statements denouncing the corrupt practices and illegal acts of the officers in the magistrate yamen." Very likely, the magistrate took advantage of the somewhat inaccurate statement about educational expenses to even scores on an old grudge.

The banning of the *Siang Pao*, and the arrest of Editor Tsai Min-liang has aroused nationwide interest. Hankow newspapermen twice telegraphed to Chen Yi, Chairman of Fukien Provincial Government, urging him to punish Magistrate Chow Shan for his illegal acts and uphold freedom of the press.

Smuggling Activities

With the establishment of the Bureau for the Prevention of Smuggling, the serious situation of Fukien has improved. Following the sudden dissolution of the Bureau, smuggling activities in South Fukien become active again. A large-scale smuggling company with ample capital is said to have sprung into existence in Anhai, Chuanchow (South Fukien). As the Foochow market is flooded with smuggled goods, customs revenue is on the decline.

Gen. Pei Tsung-hsi to Direct Generalissimo's Headquarters at Canton

From Canton, it is learned Gen. Pei Tsung-hsi, standing member of Nanking Military Affairs Commission, may be appointed Director of the Generalissimo's Headquarters in place of Gen. Ho Yin-chin, who may resign on account of pressure of work at Nanking.

Another report from Canton stated that Nanking has decided to divide the whole country into four military districts. Marshal Chang Hsueh-liang is to be appointed as the director of the first military district with the headquarters at Sian, Shensi; Gen. Feng Yu-hsiang, the director of the second military district with headquarters at Peiping, Hopei; Gen. Pei Tsung-hsi, the director of the third military district with headquarters at Nanking; Marshal Hsu Tsung-chih, the director of the fourth military district with the headquarters at Canton.

Consul-General Uchida's Inaugural Statement

Uchida, the newly-appointed Japanese Consul-General at Foochow, arrived in Foochow Oct. 13 and was given a warm welcome by Japanese residents. In an interview he said that ten years ago he was in Swatow when South China seethed with anti-Japanese and anti-British sentiments but fortunately anti-foreign atmosphere has now greatly cleared. He regretted the successive outbreaks of the Chengtu Incident, Pakhoi Incident, Shanghai Incident, etc. and he hoped that the Sino-Japanese differences might be adjusted in the spirit of mutual understanding and mutual conciliation. He stressed the friendly attitude of Chairman Chen Yi and pointed out that in spite of the enormous number of Japanese and Formosan residents, Chinese residents at Foochow could live in peace with Japanese and Formosans.

October 25, 1936.

Report of Assassination of Hsu Shih-yin Entirely Unfounded

A report to the effect that Hsu Shih-yin, Chinese Ambassador to Japan, was assassinated by unknown assailants in Tokyo Oct. 10 was characterized as an unfounded rumor by the family of Mr. Hsu in Shanghai. The *Lib Pao* said the rumor was spread by speculators in an attempt to disturb the financial market in Shanghai.

In the United States Court for China

In re.
the Estate
of
BETTY SHENGLE,
Deceased.

Cause No. 4126
Special Proceedings
No. 2005
NOTICE
Filed at Shanghai, China,
October 9, 1936.
William T. Collins, Clerk.

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of BETTY SHENGLE, deceased, to present the same with vouchers to the undersigned on or before April 17, 1937, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

Lelia Manlove,
c/o Allman, Davies & Kops,
Hamilton House,
Shanghai, China.

Shanghai, China.

In the United States Court for China

In re.
LAST WILL & TESTAMENT
of
HELEN MAUD SITTIG,
Deceased.

Cause No. 4128
Special Proceedings
No. 2007
NOTICE
Filed at Shanghai, China,
October 12, 1936.
William T. Collins, Clerk.

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of HELEN MAUD SITTIG, deceased, to present the same with vouchers to the undersigned on or before April 17, 1937, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

Mrs. W. D. Boone,
504 Loh Ka Pang,
Shanghai, China.

Shanghai, China.

Chinese Papers Urge Closer Cooperation Between China and U.S.S.R.

Noting the impending departure of Dr. Chiang Ting-fu, Ambassador to Russia, the *Lih Pao* Oct. 23 commented :—"China and Soviet Russia are two Asiatic countries which have always been craving for peace. Both countries, from the standpoint of their national policies, are not capitalistic states. The path in which Dr. Sun Yat-sen directed China is similar to that in which Lenin steered Russia after the October Revolution. Besides, due to their geographical proximity, China and Soviet Russia should be very closely connected in their friendly relations for the maintenance of Oriental peace, which has at least discouraged the wild ambition oof he aggressive countries . . . The competency of the diplomatic ffictials holds considerable influence in the formation of foreign policy. Dr. W. W. Yen, former Chinese Ambassador to the U.S.S.R., has retired, due to old age; hence, he has been succeeded by Dr. Chiang Ting-fu. It is hoped that Ambassador Chiang will complete the work which Ambassador Yen has not yet achieved; that is, the establishment of the collective security system."

In a short editorial Oct. 24, the *Ta Wan Pao*, commenting on the departure of General Chiang, strongly urged that closer co-operation must be effected between the two nations, as the existence of both is now being menaced by the aggressor.

Economics Hold Attention of Soviet Press, Says Bogomoloff

It is economics, not politics, that holds the attention of the Soviet press at present, said M. Bogomoloff, Soviet Ambassador to China, in the course of a speech given at the *China Daily News* auditorium at Nanking Oct. 23 at the invitation of the National Press Association.

Japanese Correspondent Sees Changed Soviet Attitude

For the first time since September 1931, the Soviet Union is facing a grave crisis that has led to a change in front towards Japan, the special correspondent in the Russian capital of the Tokyo *Nichi-Nichi* said in a special dispatch Oct. 26.

Soviet Attitude Towards Japan "More Favorable Than Expected," Says Vice Admiral Sakonji

The attitude of the Soviet Government towards Japan is "more favorable than expected," Vice-Admiral Sakonji, told newspapermen in Harbin Oct. 24 on his way back to Tokyo from Moscow.

Soviet sentiment towards Japan, he continued, has been greatly pacified with the conclusion of a new contract allowing Japanese interests to prospect for oil in northern Saghalien and the progress of the fishery negotiations.

Impending Resignation of M. Litvinoff Denied

The reports circulated abroad that Maxim Litvinoff is resigning his post as Commissar for Foreign Affairs are "malicious anti-Soviet propaganda devoid of any foundation," an official *Tass* message from Moscow Oct. 24, stated.

Arita and Yureneff Pave Way for Border Accord

With Japan and the Soviet Union in agreement on five out of six conditions laid down by Moscow for the creation of tripartite commissions for the delimitation of the Russo-Manchukuo border and the settlement of frontier disputes, the long drawn-out negotiations show signs of progress, a *Domei* message Oct. 21 stated.

Negotiations at Manchuli Show Some Progress

Most of the obstacles to the resumption of negotiations for a readjustment of relations between Manchukuo and Outer Mongolia were removed at the fifth meeting of the two delegations in Manchuli Oct. 24, a message from said city stated. The negotiations, which opened there on Oct. 15, are designed to pave the way for the creation of commissions to arbitrate border disputes and to demarcate the frontier line between the two countries.

Soviet Guards Allegedly Cross Border Near Lake Khanka

A force of about 50 Soviet guards crossed Manchukuo's eastern border, west of Lake Khanka, on the morning of Oct. 26, according to a communique issued by the Kwantung Army. The Soviet troops, the statement asserted, fired scores of shots at the Manchukuo border guards and threw three hand-grenades. They were apparently reinforced later in the day. The point where they crossed the border, the communique added, lies in a valley, northwest of the village of Tangpichen.

Many Prominent Soviet Personages at Present Under Arrest

As a direct sequel to the recent Kamenev-Zinoviev trial in Moscow, after which the two men who were high Soviet officials, and sixteen others, were executed, several other high personalities have since been arrested and may face a secret trial shortly, according to the *Le Petit Parisien*.

The following persons have been arrested: Sokolnikov, former Soviet Ambassador to London, imprisoned since September as a member of the Rightist Opposition, M. Uglanov, former Commissar for Labor, imprisoned as a member of the Rightist Opposition; M. Serebriakov, former Commissar for Transport, arrested as a former adherent of M. Trotsky and Mme. Serebriakov, his divorced wife, who later married M. Sokolnikov and accompanied him to London; M. Arkus, high official of the Gosbank (State Bank), a Trotsky adherent. General Putna, former Military Attache at London, a close associate of Trotsky when the exiled leader was Commissar of War (1917-20); and Karl Radek, former associate of Trotsky and Zinoviev, until a few months ago chief editor of *Pravda* and well-known Soviet writer.

Japan's Investments in Manchuria After Manchurian Incident Exceed Yen 1,100,000,000

The *Tokyo Asahi* Oct. 17 stated that Japan's total investments in Manchuria since the Manchurian Incident amounted to Yen 1,124,000,000 as of Oct. 10, 1936. Of this amount, the portion absorbed by the South Manchuria Railway from the Japanese financial market as a result of its collection of payments for the S.M.R. shares and debenture-issue increase (net) reached Yen 683,900,000. In addition to this amount, the S.M.R. drew Yen 20,000,000 more from the Japanese market as a result of the offering of the shares of the South Manchuria Gas Company, and Manchuria Electric Industry Company in its possession, to the Japanese public for subscriptions. Thus considered, the S.M.R. took away from Japan a total of Yen 703,900,000.

In addition to the above investments, the Japanese Government has spent a total of Yen 1,067,528,000 as the Manchurian Incident expenditures from the time of the Manchurian Incident up to the 1936 fiscal year (including the 1935 and 1936 Manchurian Incident expenditures in the respective Budgets).

Yoshisuke Ayukawa, president of the Japan Industry Company, commented in this connection: "Some people complain that Manchurian development costs too much, but if a child twice and a half as large as the father is born, the father cannot help spending much money for the child's training and rearing. Others raise the cry that national defense, railway construction and immigration are unproductive, but we have to look at Manchuria as a whole with the long future in view. We have heard a noise about the S.M.R.'s fund-raising issue. In this connection we are of the opinion that the brains of merchants or bankers are unfit for a major continental development enterprise befitting the State. Everything must be done from the standpoint of the State."

Manchukuo and Japanese Flax Interests Headed for a Clash

A recent Changchun message stated that the Manchukuo Ministry of Industry is planning to establish a flax mill in Liaoyang, with a capital of Yen 3,000,000. Since, however, Manchuria is a big market outlet for the flax industry of Japan, a sharp struggle is anticipated between the business interests thus aligned against each other.

Manchukuo's First Light-House Starts Operation

Manchukuo's first light-house built at the cost of Yen 100,000 by a Japanese contractor, standing on the Chang Hsin Island, off the east coast of the Gulf of Pechili, was opened for service at a ceremony Oct. 23.

Korea-Manchukuo Co-operation Discussed

Means and ways of effecting closer economic co-operation between Korea and Manchukuo were discussed at Seoul Oct. 21 by Yosuke Matsuoka, President of the South Manchuria Railway Company, and Gen. Jiro Minami, the new Governor-General of Chosen.

Two Japanese Officers and a Private Killed in Bandit Ambush

Two Japanese officers and a private were killed in a surprise bandit attack in Sankiang, North Manchuria, Oct. 23, according to an official report received in Hirosaki by the headquarters of the Eighth Division. The killed men were: Major Ichiro Satoh, Lieut. Shigenori Nakaya and First Class Private Koshitsugu Kondo. The Major is survived by a widow, two sons and three daughters. The Japanese detachment, commanded by Major Satoh, was attacked by a force of about 80 outlaws, who after a brief fight were put to flight, the report added.

This incident followed the killing of two Japanese privates by bandits in Manchuria about ten days previously.

Anti-Japanese Volunteers Continue Active in Manchuria

Harbin advices stated that leaders of the anti-Japanese volunteers in North China have completed their contacts for joint action. It is reported by the *Ta Mei Wan Pao* that these volunteers have organized a Northeastern People's Anti-Japanese and Anti-Manchukuo Government. They will launch a major attack against the Manchukuo and Japanese forces in the near future.

Manchukuo's Salt Production Increases Rapidly

A recent Hsinking message to the *Hochi* stated that ever since the establishment of the Manchuria Salt Industry Company in Manchuria last year on the basis of joint capital offered by the Manchukuo Government and Japanese capitalists in Japan, the salt industry in Manchuria has been attaining increased production to such an extent that at present Manchukuo produces 120,000 tons for export in addition to filling its domestic needs.

Japanese Ronins Continue Intrigues in South China

Japanese ronins are extremely active in South China, a recent message from Swatow stated. It is said that Japanese torpedo boats are found frequently visiting islands near Kwangtung, while Japanese ronins are openly conducting espionage work in the districts of Chao-an, Chao-yang, Chenghai, Shaoping along the Kwangtung border.

Importance of Inner-Mongolia in China's National Defence

BY CHANG TSO-HUA

(*Kuo Wen Weekly, Sept. 7*)

Japan has already formed her plans regarding Mongolia. In his Memorial to the Throne, General Tanaka said that "Manchuria and Mongolia must first be conquered before China can be subjugated." A former Minister of War said: "If Japan cannot establish herself in Manchuria and Mongolia, she cannot attain her highest ideals." This Japanese realize that it would be harder for Japan to establish herself in Mongolia than in Manchuria, and added: "Japan must destroy whatever race is an obstacle to the expansion of Imperial Japan."

What is the Japanese ideal? It doubtless includes the conquering of Soviet Russia and the subjugation of China. Now that she has Manchuria in the palm of her hand, she is turning to Mongolia, and lately she has instigated and coerced Prince Teh into establishing the so-called military government, and begun her attack on Eastern Suiyuan.

The Mongolian problem is really a big one, as this territory is the first line of defence of the Northwest. If Mongolia is lost, the Northwest will be in imminent danger. Japan's second step is to get hold of the whole of Mongolia, now that Manchuria is already in her hands. In 1933 the Japanese took Jehol, and so Eastern Mongolia is under her control. With the Hingan Mountains as a dividing line, the Japanese organized this part of Mongolia into what is called the four Hingan provinces. At the head of this small puppet state is a Mongolian chief, but the vice-chief is a Japanese. This area has come under the direct control of "Manchukuo." Besides military defence work in Eastern Mongolia, Japan is making land surveys and is planning to tap the rich natural resources. As is usual with her methods, opium smoking is encouraged among the Mongolians.

With Eastern Mongolia as a base, Japan is encroaching upon West Mongolia by sending her subjects to take active part in politics by urging the people to declare their independence. Japan has also established a special organization there for the express purpose of helping the so-called independence movement.

Seeing that Japan is pressing hard, and the National Government of China cannot do very much for them, the princes of Western Mongolia began in earnest a movement of independence. It was a spontaneous movement, and found natural expression in the establishment of the Mongolian Self-Government Political Committee in Pailingmiao in April 1934, headed by Prince Teh. As to the real objective and purpose of the movement, there is no explanation better than that given by Prince Teh himself to the writer. He said:—

"We felt very strongly the hard lot of the people of Outer-Mongolia, and we see that Eastern Inner-Mongolia having now fallen into the hands of our enemies, Western Inner-Mongolia is in danger. All along the Great Wall fighting was going on, and yet the National Government could do nothing. We therefore had to look to ourselves to ward off the coming of the enemy. A meeting was called of Mongolians at Pailingmiao in June 1933, and it was decided to establish an independent local government in order to rid ourselves of the control of the Government in Suiyuan and Chahar, and declare our allegiance direct to the National Government at Nanking. This self-government was officially established on April 23, 1934, but our fellow countrymen in China Proper seemed to have misunderstood our real object, not knowing that our demand for self-government was for the purpose of preserving the Mongolian race under the guidance of the National Government. During recent years the different banners were not on good terms with the provincial government, and this state of affairs could easily be taken advantage of by the enemy, who would try to dupe us by telling us to fight for independence. Now we can tell them that we have already obtained our independence. Had there not been this self-governing organization, we might see today what would probably be called a 'Monkukuo'. During the recent Ch'ing Dynasty, Mongolia was very closely related to the Chinese Government, but since the Republic we did not get anything from the Government, and now we have lost the greater part of our land. Though help was promised, we never got a cent to help settling our people on uncultivated areas, and we are now virtually a people who have lost this country."

Shensi Reconstruction Department Resumes Oil Drilling Operations at Yenchang

In compliance with the petitions of the inhabitants of Yenchang, northern Shensi, the Shensi Provincial Department of Reconstruction is making special efforts for the restoration of the oil drilling work at Yenhcang, which was suspended on account of the destructive incursion of the "Reds". With Yenchang as its center, the petroleum oil fields, comprising an area of 2,000 square *li*, extend to Yenchwan in the north; Ichun in the south; Fuhsien in the west; Sanshui (Shen-yi) in the south-west and the Yellow River in the east. A modern distillation plant has been installed.

The Standard Oil Company sent a large prospecting staff to this area 20 years ago, but abandoned operations after a huge outlay of money.

In the United States Court for China

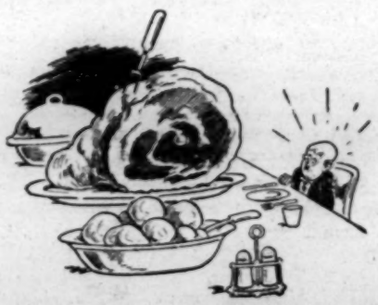
IN THE MATTER OF THE CHANGE OF NAME OF JOHN HAHALYAK.

Cause No. 4129
Special Proceedings No. 2008
NOTICE
Filed at Shanghai, China, October 12, 1936.
William T. Collins, Clerk

Notice is hereby given that JOHN HAHALYAK an American citizen residing in China, has filed his Petition in this Court praying for authority to change his name to JOHN HALLICK.

Any person interested may, on or before October 31, 1936, offer and show to said Court why the said petition should not be granted.

William T. Collins,
Clerk.



If Your Food Frightens You

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"Reuter" Predicts That President Roosevelt Will Be Re-elected

The U. S. presidential elections will take place Tuesday, Nov. 3. Both President Roosevelt and Mr. Landon are concentrating their final efforts on the Middle States.

A dozen states, representing 257 of the total 531 electoral votes, are in the "doubtful column" of both major political parties, an analysis of semi-final returns in the *Literary Digest* Presidential poll revealed Oct. 23. New York, Pennsylvania, Illinois, Ohio, Michiagn, Minnesota, Wisconsin, Iowa, Indiana, Nebraska, Missouri and West Virginia waver from one party to ther other almost daily as returns continue to pour into the *Literary Digest* office.

President Roosevelt, seeking re-election to the presidency on the Democratic ticket, is likely to win by a comfortable margin, according to the collated opinions of *Reuter* correspondents throughout the United States.

The Republican National Committee's report of campaign contributions released Oct. 23 included a $30,000 donation by William Randolph Hearst.

U.S. Isolation Not Possible, Says Republican Candidate

Isolation is unfair to our own people and impossible, declared Alfred M. Landon, the Republican candidate, in the course of a speech at Indianapolis, May 24.

Communist Red Candidate Assaulted in California

A mob of more than 200 enraged vigilantes Oct. 23 wrecked the control metre outside the El Centro, Cal. radio station KXO, fired several shots into the air and smashed down a glass door to seize and seriously assault Esco L. Richardson, Communist candidate for Congress.

U. S. Department of Labor Reports Further Increase in Employment

The number of employed workers in the United States increased by 355,000 during September, according to an announcement by Miss Frances Perkins, Secretary of Labor, Oct. 22. It is estimated that 6,000,000 unemployed workers have found industrial jobs since March, 1933.

Retail trade in the United States for the week ending Oct. 11 increased two to five per cent over the previous week, Messrs. Dun and Bradstreet, reported Oct. 23. The volume of trade in addition represented a gain of eight to twenty per cent over the same week one year ago. Car-loadings reached a new peak for the past five years, with a total of 826,000 cars as compared with 820,000 during the previous week.

Philadelphian Files Suit with a View to Preventing Further Issue of Currency

John D. Montgomery, of Philadelphia, has filed a suit seeking to restrain further issuance of Federal Reserve currency. The suit, urging the same objections to the Federal Reserve system as those voiced by the Rev. Charles E. Coughlin, the "radio priest," and his National Union for Social Justice, contended that reserve banks were able to make large profits through the power to issue currency backed by only 40 per cent in gold or gold certificates.

U. S. Navy Holds Air Maneuvers in Mid-Pacific

The U. S. Navy is holding huge aircraft maneuvers in the mid-Pacific this week, under the direction of Admiral Ernest King.

Benigno Ramos Says P. I. Independence Is "Derisory"

Domei Oct. 21 quoted Benigno Ramos, head of the Fillipino Radical party, the Sakdalistas, at present living in Japan, as saying, "The Philippines still remain a protectorate of the United States. Their independence is derisory."

New Zealand and Australia Decide on Retaliatory Shipping Measures Against U.S.

E. C. Page, U.S. Secretary of Commerce, Oct. 22 announced the principles of a Bill to restrict American ships engaging in local passenger trade between New Zealand and Australia and also dealing with the general question of foreign competition with British shipping in the Pacific. Mr. Page's announcement coincided with the passing by the New Zealand House of Representatives of the first reading of a bill designed to protect British shipping between Australia and New Zealand.

P. Fraser, the New Zealand Minister of Marine, in introducing the measure, emphasized that Australia fully supported New Zealand and would shortly enact similar legislation, while the British Government had no objections. The Bill authorizes the New Zealand Government, at its own discretion, to impose restrictions and prohibitions on ships of any foreign country whose laws prohibit British ships carrying passengers and goods between its own ports or between itself and its territories abroad, or which imposes restrictions on British ships inapplicable to its own ships, or confers subsidies or privileges enabling its vessels to compete on unequal terms with British shipping. An Order-in-Council will make it illegal for ships of such a country to transport passengers and goods across the Tasman Sea. An exception will be made of along-distance through passengers.

Recent Appointments and Movements in Chinese Official Circles

Dr. H. H. Kung, Minister of Finance, who was confined to hospital, has now completely recovered, and is at present staying in a friend's home in Shanghai.

Chiang Wei-kuo, eldest son of Gen. Chiang Kai-shek, departed from Shanghai for Germany Oct. 20. Mr. Chiang will take a three years' course in military training before returning to China.

The *Shanghai Mainichi* Oct. 23 in noting that M. Bogomoloff, Soviet Ambassador had arrived on that date in Nanking with a view to calling on General Chang Chun, Minister of Foreign Affairs, commented: "His movements are being watched by Japanese officials."

Paul Naggiar, the French Ambassador, called on Wu Ting-chang, Minister of Industry, Oct. 22.

Sir Hughe Knatchbull-Hugessen, the British Ambassador to China, called on General Chang Chun, the Chinese Minister for Foreign Affairs, Oct. 24. Sir Hughe expressed Britain's concern over the situation in the Far East and inquired into the latest developments in Sino-Japanese negotiations.

In view of the pressure of duties, Tseng Yang-du, Mayor of Canton, and Chow Chun-nien, director of the Supply Department of the Ministry of War, have resigned from the Board of Directors of the Chekiang-Kiangsi Railway Administration. Wu Ting-yang and Cheng Yuan-fan, Reconstruction and Finance Commissioners of Chekiang respectively, have been appointed to succeed them.

After an absence of about a month Gen. Yang Hu-cheng, Pacification Commissioner for Shensi, returned to Sian Oct. 22 from Nanking and immediately resumed his duties.

General Han Fu-chu, Chairman of Shantung, returned to North China Oct. 23 after several successful talks with General Chiang Kai-shek concerning the situation in North China.

Chang Shih-chao, noted jurist and former Minister of Justice in the Peking Government, who was on Oct. 21 appointed by the National Government a member of the Hopei-Chahar Political Council, has now been appointed chairman of the Codification Committee of the Council.

Gen. Hsu Yung-chang, commander of bandit suppression forces in Shansi, who came to Nanking recently to report to General Chiang Kai-shek on the political conditions of his province, returned to Taiyuan by plane Oct. 23.

Liu Cheng-huan, representative of the Yunnan Provincial Government, who played an important part in the mediation of the recent Nanking-Kwangsi controversy, arrived in Nanking this week.

In a mandate issued Oct. 26 the National Government appointed Dr. Franklin Ho, noted Chinese economist, Director of the Department of Political Affairs of the Executive Yuan.

Nanking Government Authorizes Conscription of Labor

The Executive Yuan has promulgated a set of regulations governing the enforcement of labor conscription in various provinces and municipalities, according to which all able-bodied men between the ages of 18 and 45 are subject to labor conscription for a period from three to five days a year. Conscripted labor, it is provided, is to be principally directed to such tasks a self-defence work, road construction, water conservancy, and forestation.

Generally speaking, the regulations stipulate, a labor conscript is to work within an area not farther than 15 kilometers from his home.

"New Life" Editor Opens Porcelain Factory

Tu Chung-yuan, editor of the defunct *New Life Weekly*, who was freed from jail recently, is organizing a procelain factory in Kiangsi. The factory, which will be known as the Kiangsi Kwangta Porcelain Company, will have a capital of $1,000,000. Among the big shareholders are Dr. H. H. Kung, Mayor Wu Teh-chen, Chang Chia-ngau, and Tu Yueh-sen, the *Lih Pao* of Oct. 14 stated.

"New Life" Movement Captures Imagination, Says Bishop Hammaker

Bishop W. E. Hammaker, of Nanking, who, until May, 1936, was for 21 years the Pastor of the Trinity Methodist Church, Youngstown, Ohio, U.S.A., one of the chief steel cities of America, in a speech over the Central Broadcasting Station at Nanking recently said: "Everywhere, evidence of progress. Everywhere, signs of vigor and vitality." Surely, he said, the "New Life" Movement has "caught on." It has captured the imagination. In the cities, in the country, on trains and in the restaurants, the bishop proceeded, one sees and senses the throbbing new plans and purposes. The ideals, he said, are being made real in everyday life. The aims are being translated into actualities; withal there seems to be a fine blending of respect for the old and of reaching for the new.

"Nippo" Outlines Measures for the Economic Subjugation of China

Methods by which Japan may effectively counter any expansion of Chinese industry which may take place as a result of foreign loans to this country were frankly suggested by the Shanghai *Nippo* Oct. 23. "As a result of China's monetary reforms and the British credit loan to China," the paper declared, it is probable that considerable industrial equipment will be sent to China, which means a development of Chinese industry. A blow will thus be dealt to the Japanese principle of keeping China an agricultural country, with Japan as the neighboring industrial power. In this situation, the paper continues, "Japanese exporters must take new steps. First of all, they must build more factories in China in order to evade payment of Customs duties on Japanese-made products destined for the China market. Secondly, the type of commodity exported by Japan to China must be changed.

Japanese Financiers Not Yet Ready to Invest Money in North China

In view of the complicated situation in North China, Japanese financiers are adopting a "wait and see" attitude regarding projects for Sino-Japanese economic cooperation in that area. It is reported, however, that the Japanese financiers have agreed in principle to schemes for the economic development of North China the *Hwa Mei Wan Pao*, Oct. 24, stated.

How Sino-Japanese Economic Cooperation Will Be Effected

China will supply labor and land, while Japan will furnish all necessary technical assistance in projects for Sino-Japanese economic cooperation in North China, a Tientsin message to the *Shun Pao* Oct. 21 stated. All joint Sino-Japanese enterprises envisaged in present plans will be organized in accordance with the Company Law promulgated by the Chinese Government.

Terauchi Approves Plans for North China's Development

Plans for the joint Sino-Japanese economic exploitation of North China drafted by the experts of the Japanese Garrison in Tientsin were outlined Oct. 23 to Gen. Count Hisaichi Terauchi, War Minister, by Lieut.-Col. Sumihisa Ikeda, staff officer of the Garrison. The War Minister, Domei learned, expressed his approval of the plans, and also gave Lieut.-Col. Ikeda instructions, the nature of which was not revealed.

Ex-Vice-Minister Tours North China and Manchuria

Juichi Tsushima, until Feb. 26 the Vice-Minister of Finance, is making a month's tour of inspection of economic conditions in Manchukuo and North China.

Air Agreement Not Yet Signed, Says Li Shih-hao

The draft agreement for the opening of an air line linking North China and Japan has not been signed, and all press reports to the contrary are absolutely without foundation, declared Li Shih-hao, chairman of the Economic Committee of the Hopei and Chahar Political Council, during a press interview following his return from Tientsin to Peiping Oct. 21.

Sung Cheh-yuan Makes Statement on Sino-Japanese Aviation Company

The Ministry of Foreign Affairs and the Ministry of Communications received identic replies from Gen. Sung Cheh-yuan, chairman of the Hopei-Chahar Political Council on Oct. 21 regarding the organization of a Sino-Japanese aviation company in North China. According to the reply, the company is being organized in accordance with the Chinese Company Law. It is an ordinary company, without any political background. Gen. Sung declared further that no agreement of any kind had up to that time been signed for the organization of the company. The air lines of the company will be limited to the Hopei and Chahar provinces.

Japanese Organize Agricultural Company in Tientsin District

Japanese interests are organizing the Ta Chung Agricultural Company at Tientsin with a capital of $500,000. About 30,000 mow of land have been leased by the company in the Chunliangchen and Peitang districts for the planting of cotton.

Japan Ousts Belgium from Glass Trade in North China

One phase of Japan's economic progress in North China has been strikingly revealed by an announcement at an extraordinary general meeting of the Yao Hua Mechanical Glass Company, Ltd., of which the Kailan Mining Administration are managers. Shareholders were notified at the meeting in Tientsin last week that the Beigian shares in the company had been taken over by the Asahi Glass Company of Japan and the Shoko Glass Company of Dairen. The company thereby was transformed from a Sino-Belgian into Sino-Japanese concern.

Fuji Company to Expand Tsingtao Cotton Mill

The Fuji Cotton Spinning Company, capitalized at Yen 45,-500,000, Oct. 21 decided to expand its plant in Tsingtao, securing the required funds through the issue of Yen 5,000,000 worth of debentures.

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Gen. Han Fu-chu's Drive Against "Modern" Girls

By Z. Y. YU (俞慈園)

ACCORDING to the *Southeastern Daily* (東南日報, a Hangchow daily) Gen. Han Fu-chu, Chairman of the Shantung Provincial Government, personally arrested three modern girls recently and ordered the Police to arrest more than one hundred fifty others a few days later. He court-martialled them and found all of them guilty for their violation of the regulations of the New Life Movement, which provide that women are not allowed to have their hair bobbed, or to use powder, short sleeves short trousers, etc. Various sentences were imposed on them. Among the arrested were sing-song girls, as well as a good many married and unmarried ladies from decent families. Some street beggars were also arrested and made to appear before the court together with the girl prisoners. It was stated incidentally that many of the girl prisoners were from other ports and not familiar with the regulations.

Some think that the things of fashion coveted by modern girls give too much sexual appeal and attraction and since they are prohibited by the New Life Movement Gen. Han is doing the right thing in punishing the modern girls. But others are rather sympathetic with the girl prisoners. They say Gen. Han might have done as well by simply instructing the police to look after such business. Since most of them are from decent families, they would suffer enough disgrace from a police warning to work a change in fashion. To court-martial them, to put them together with street beggars before the court, and to punish them is really too much. Since public interest in the affair is aroused, I would like to express some ideas of mine. May I address Gen. Han and the girl prisoners in turn.

Advice to Gen. Han Fu-chu

"Dear Gen. Han: As a soldier who believes in simple living and hates many evils of modern life, you have surely done well in enforcing the New Life Movement by punishing the girls. But should you condescend to notice such trifling things? As a military leader you have to look after your army and to defend the nation; your duty as a general is especially momentous at such a time when the nation is being invaded. As Chairman of the Shantung Provincial Government you have to look after the welfare of the whole province and all the administrative business of the province is yours. You should be obedient to the Central Government and brave enough to refuse Japanese demands and ignore their intimidation and coercion. There is vanity in human nature, and to please others is the root of everything people call 'fashion.' Decoration of women is rather a question of public interest and attitude. So, to enforce the New Life Movement in connection with the fashion of women, the Kuomintang Party and other cultural organizations should cooperate to work out some change in the attitude of the public, and especially the attitude of women. The Movement is proceeding that way. Unless the attitude of the public, women included, is changed, punishment alone would accomplish very little, I am afraid. But, on the contrary, there might be a good deal of undesirable reaction from the public.

"In the midst of modern nations China should no longer be a feudalistic country. Eighteenth century ideas and policies should be done away with. Neither in politics nor in education should we trust the rod or the whip. It is not the nay, nay ideas nor the passive policies that we should adopt. It is the positive policy, it is the policy of telling people what to do or which way to go that we should pay attention to. If a school teacher should use a rod and always tell students 'no, no, no' without any positive educational ideas, he would certainly be kicked out. If a statesman should formulate only negative policies and always tell people 'no, no, no,' he would lose the support of the people. We know that the Japanese are suffering from scarcity of raw materials and also from over-production in industry, and we also know that the Japanese statesmen are telling their people to force an open market in China and to get raw materials here. This is their Continental Policy, and they are proceeding with whole-hearted zeal and enthusiasm for the conquest of China. This is not a passive policy. On our part we should also have positive policies for the salvation of our nation. Half of the Chinese population are women and their task for the nation should be as great as that of men. What are your positive policies for the nation and what are your positive policies for the Chinese women? Is there not any positive policy in the New Life Movement? Will you please be good enough to consider?

"Its useful and fitting positive policies for the nation should be well planned and carried out by our statesmen, every phase of our national life could be changed for the better, for women as well as for men. We see white Russian prostitutes with powdered faces almost in every port of China. Powder or anything which could help them to attract men would be good for them and would induce desire. They are parasites and their life philosophy is such. But in Soviet Russia every woman is competing with men along every line of life's activities. When everybody is supposed to work and when work is planned for everybody, for women as well as for men, women do not like to live a parasitical life. Powder or anything would not appeal to them, and we do not need to worry about sexual attraction or fashion.

"To train women to lead a useful life, and to train them to share responsibilities with men for the salvation of the nation, is a great task. The police cannot do that, and their enforcing the regulations of the New Life Movement so far cannot reach such an end. It is the duty of far-sighted statesmen to do it. Dear Gen. Han, will you be far-sighted enough to see that?"

A Consolation to the 'Modern-Girl' Prisoners

"Dear Ladies: You are certainly unfortunate in suffering from such an incident. My sympathies are with you. If you were anywhere outside China, you might do whatever you please with your hair, faces, or dresses without the least feeling of being molested. Soviet Russia is a proletarian country and a good many things tolerated by capitalistic states are tabooed there: but there are still a few girls crazy after powder or other things of fashion in the Union. Japanese are proud of their simple living; yet many Japanese women like to use powder and to do a lot with their hair. Black people in many places of the world are slaves and never treated as human beings; yet they use earrings, necklaces, etc., and do whatever they please with their own bodies. Four of five years ago when the New Life Movement was not yet in existence a good many military and civil officers took pretty modern type girls for their wives or concubines; and those modern girls and many, many of their followers used imported toilet articles to such a profuse degree that millions of dollars were wasted yearly. Many modern girls in other places of China might be still indulging in their fashion dreams while you are here caught and punished.

"But you need to console yourselves. For thousands of years women have never been treated as equals of men, because they have never lived an independent life. And in China from time immemorial women have been virtually slaves of men. The history of Chinese women is a history of indescribable sufferings and torture. It is only during the last several decades that ideas such as independence of women and equality between sexes have been freely expressed and sponsored. And as a result of such ideas you are very much better than your female ancestors. So do not make much of your present sufferings. Do not hate Gen. Han; he is a very good soldier. Do not hate the New Life Movement; it is aiming to cure something. Take the incident as a little fun and bury your unpleasant memories of it together with your powder. In such a queer world men always play tricks on women, and women on men, on sexual problems. This is just an incident. Take life seriously and work hard for an independent and useful life. The whole nation is in danger and you are also in it. Fashion or no fashion would not help any."

S.M.R. Asks Manchurian Bureau to Assist Company's Fund-Raising Plan

The Tokyo *Asahi Shimbun* Oct. 16 stated that the S.M.R.'s capital-raising plan, having faced a serious situation due to the refusal of the Government to respond favorably to the S.M.R.'s demand to call in unpaid shares held by the Government, Kenichiro Sasaki, director of the S.M.R. is now concentrating his efforts on negotiating with officials of the Manchurian Bureau, asking for assistance in the matter. It was stated that the attitude of the Government refusing to assist the S.M.R. in the present instance is regarded by the S.M.R. as exposing a lack of control of the Manchurian policy within the Cabinet, and the Manchurian Bureau is being pressed to come forward to decide the definite national policy.

A dispatch from Dairen Oct. 15 said the South Manchuria Railway Company has decided to extend the scope of the offerings for shares of affiliated companies it. The number of its affiliated concerns in Manchuria is 82, with a total capital of more than Yen 190,000,000.

Domei Oct. 24 stated that Yosuke Matsuoka, President of the South Manchuria Railway Co., had asked Gen. Count Hisaichi Terauchi, War Minister, to bring pressure to bear on the Ministry of Finance to modify the Government's attitude towards its S.M.R. holdings. The issue revolves around the Treasury's refusal to disburse the balance on a block of partly paid-up shares, as it was requested to do by the S.M.R. The Ministry of Finance contended that to make that payment it would have to float bonds. It considered the procedure inadvisable at the present time.

Mr. Matsuoka told a representative of the *Asahi* at Dairen Oct. 21 that the settlement of the present issue with the Tokyo Government is tantamount to asking, whether Japan is or is not to abandon its continental policy? "We cannot abandon the continental policy at this stage of development. And about the results of the present issue I am rather optimistic. As regards North China development general principles are definitely decided," Mr. Matsuoka said.

Who's Who in China

Anna May Wong, movie actress; born on January 3, 1907 in Los Angeles; daughter of Wong Sam Sing, a merchant in Los Angeles; her Chinese name is Wong Liu-tsong, which translated means "Frosted Yellow Willow"; attended a Mission school in Chinatown until she attained the fifth grade; then entered Fromont Grammar School and later Central High School in Los Angeles; at eight she received her first taste of motion picture at the nickelodeans on Main Street and found her first screen idol, Grane Wilbur, appearing in "The Perils of Pauline;" at the age of 12, she met James Wang, a Chinese in American film business, and was enlisted by him to appear in the picture "The Red Lantern;" after many years of extra work, she appeared in a small scene in "Dinty," starring Wesley Barry; her first screen credit part came in Marshall Neilan's "Bits of Life;" from this appearance she became an established film actress, appeared having in many films including: "The Thief of Bagdad," "Peter Pen," "The Chinese Parrot," "Across to Singapore," "The Honorable Mr. Bugs," and several others; in 1928 she left Hollywood on a contract to appear in German films; her first picture, "Tsong" was an immediate success and she was requested to go to London, where she co-starred with Gilda Gray in "Picadilly;" returning to Berlin, she made "The Pavement Butterfly;" played the leading role in "The Circle of Chalk;" then she made her talking film role in "Flame of Love" into German, English and French versions; at the completion of her three-language picture, she appeared in a Chinese opperatta "Tchun-Tchi" (Springtime) in which she sang and danced for two months in Vienna; on her return to the United States she played with Crane Wilbur in the picture "On the Spot" in New York, and was very successful in the stellar role; later Paramount assigned her to a leading role in "Daughter of the Dragon;" returning to London in May, 1933, she was engaged for two weeks in Embassy club, signing, and then made the British film, "Tiger Bay"; a six months' theater tour, in which she played her own act, took her through the British Isles; on its completion, she appeared in two more British films, "Chin Chin Chow"and"Java Head;" made tour of Italy, Sicily, Switzerland and Scandinavia, end of 1934 and beginning of 1935; returned to New York, end of June 1935; arrived at Hollywood, December 1935 en route to China; arrived in China Feb. 11, 1936 and spent 8 months in the ancestral country; in China she visited Shanghai, Hongkong, Canton, Macao, Hangchow, Soochow, Nanking, Taishan (Shantung) and spent 4 months studying Mandarin and the Chinese theatre in Peiping; left China for the United States Oct. 25, 1936 to resume her film work; address: c/o Mrs. Sadye Coon, 1337 N. Sycamore, Hollywood, California, U.S.A.

黃柳霜
Anna May Wong
(Huang Niu-shuan)

留美中國女明星黃柳霜，現年廿九歲，自幼隨父僑居美國，初入美國舊金山中國街教會學校，後轉福蒙脫學校及中央高級學校，八歲時對電影即具興趣，十二歲時爲一任職于美國影片公司王君之聘現身銀幕，初爲劇中之配角，後在 Marshall Neilan's "Bits of Life"。片中。表演深得觀衆之賞識，後于所攝各片中遂爲一重要角色，一九二八年離好來塢入一德國影片公司，第一片爲"Tsong"演畢，被聘赴倫敦，旋回柏林攝一三國語之有聲片，後加入一中國劇團，在維也納表演歌唱凡二月，返美後。派拉蒙影片公司聘爲一片之主角，一九三三年五月赴英倫，加入一英國影片公司，攝成二片後，即赴歐洲各地遊歷，至一九三五年回紐約，六月底重返好來塢，十二月回國遊歷各處並研究國語及中國舞台劇凡八月。本月廿五日出國赴美，重度其銀幕生活。

CUSTOMS NOTIFICATION NO. 1550

The public is hereby notified that in accordance with Government instructions the application of Import Tariff heading No. 589 is limited as from the 16th October, 1936, to "Teak-wood (Beams, Planks, and Logs) over G. U. 30.00 in value per cubic metre", and that teakwood beams, planks or logs of inferior value are classified as "Timber, n. o. p. f.", under heading No. 590, dutiable at 20 per cent. *ad valorem*.

CHU CHANG-NIEN,
Superintendent of Customs.

PAUL BARENTZEN,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 24th October, 1936.

CUSTOMS NOTIFICATION NO. 1551

The public is hereby notified that in accordance with Government instructions, the following rider is to be added to Import Tariff heading No. 632 (d) and will take effect from the 1st November, 1936:

"凡鑲貴重金屬之鈕扣,歸入鈕扣稅則(丁)項徵稅者,其應徵之進口稅,以不低於鈕扣稅則(甲)項稅率爲標準"

"The duty on buttons plated with precious metals classified under sub-heading (d) shall not be less than that charged on buttons classified under sub-heading (a)."

CHU CHANG-NIEN,
Superintendent of Customs.

PAUL BARENTZEN,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 28th October, 1936.

Men and Events

Advices from Washington this week indicated that the construction contract for the new United States Consulate at Shanghai will not be awarded before the spring of 1937.

E. J. Mahon, General Manager of the Harbin branch of the National City Bank of New York, passed through Shanghai last with Mrs. Mahon, on their way to America, on long-leave.

The *China Press* Oct. 28 issued two special supplements, one to mark the fifteenth anniversary of the March on Rome and the other to mark the celebration of Czecho-Slovakian independence day.

Cheng Shao-fang and Lin Ching-shan, two notorious pirates who were arrested some time ago on charges of pirating the s.s. *Shu Hsin* near Amoy, were executed at Foochow by a firing squad Oct. 25.

A Korean, whose name was given as Tohan Kim, was arrested in Shanghai Oct. 24 by the Japanese Consular Police on charges of engaging in subversive activities and belonging to a secret Chosenese society.

A message from Berlin Oct. 22 stated that the Hamburg-America line is increasing its fleet of freight vessels on the Far Eastern route by two 8,000-ton ships. The first ship will be ready in the spring of 1938.

U. S. Navy Day was celebrated in Shanghai Oct. 27 with appropriate ceremonies. The principal event was a parade of 800 of the Fourth U. S. Marines, reviewed by Col. Charles F. B. Price, at the Shanghai Race Course.

Accompanied by his son Pu Yuan, and a group of 130 Chinese Mohammedans, Gen. Ma Lin, Chairman of the Chinghai Provincial Government, departed from Shanghai this week for Singapore enroute to Mecca on a pilgrimage.

The Duke of Harar, thirteen year-old son of the Emperor Haile Selassie of Ethiopia, has entered St. Christopher's School at Bath. He is receiving the same treatment as the other scholars, a recent message from London stated.

A number of valuable collections of magazines and books, including some 1,700 volumes of provincial and district annals were destroyed by a fire which occurred at the library of the Ministry of Interior at Nanking on the night of Oct. 25.

One Chinese, one British and six American films were banned in British Malaya during the period between July 1 and Sept. 30, too many gangsters and too much gunplay forming the basis of the censor's objections in most cases.

A sum of $300,000 has been appropriated by the Government for relief work in Northern Shensi. The plight of the refugees in the 23 hsiens in Northern Shensi, recently evacuated by the Red Army, is said to be beyond description.

Eleven Japanese peers, after completing a month's tour of South China, spent a busy day in Shanghai Oct. 24 attending receptions given in their honor by local Nipponese officials and businessmen prior to their departure for Japan.

During the past nine months, cosmetics to the value of U.S. 377,248, or the equivalent of $829,945, were imported into China through the port of Shanghai, according to statistics released by the Foreign Trade Bureau of the Ministry of Industry.

Gen. Sung Cheh-yuan, Chairman of the Hopei and Chahar Political Council, has ordered the establishment of a special research institution in Peiping. A preparation committee has already been appointed, with Liang Shih-tang, a noted scholar, as director.

Sven Tillge-Rasmussen, special correspondent of the journal *Politiken* of Copenhagen, Denmark, who has been traveling in the Far East for several months arrived in Shanghai early this week and plans to remain here for several days. He is staying at the Park Hotel.

The news of the death of Chou Shu-jen (better known by his pen-name Lu Hsin), one of the leading exponents of modern Chinese literature, at Shanghai on Oct. 19 was received with profound regret in literary and educational circles in Peiping, a message from the former capital Oct. 21 stated.

Loh Chia-chun, the eldest son of Loh Lien-kwei, Chief of Chinese detectives, S.M.P., and Miss Chi Li-yun were married Oct. 27 at the Central Hotel in Shanghai. Tsai Nui-pei, member of the Central Executive Committee, presided at the ceremony. The bride was a student at Besant Girls' School.

Sir Henri Deterding has resigned from the post of Director-General of the Royal Dutch Petroleum Co., and has become a member of the board of directors. J. F. F. de Kok, a member of the board, has been selected as the new director-general. The Royal Dutch Co. is tied up with the "Shell" interests—both being represented in China by the Asiatic Petroleum Co.

If it is true as rumored that a recently retired public servant received $100,000 plus a pension for life of £800 per year, we can only suggest that the taxpayer should rejoice that the authorities are in an economizing mood. It might have been $200,000 and £1,600 a year. How we pray the Secretary General doesn't resign; they'd have to float a bond issue.—*Shanghai Shopping News.*

George Brandt, who was a recent visitor in Shanghai, has been making a leisurely tour of the Orient gathering material for a series of light travel articles for *Scribner's* magazine. Mr. Brandt is well-known as an author and playwright in New York City and was for sometime with both the American and British *Review of Reviews*.

With the organization of a National Office of the Coal Industry, plans have been completed by the various coal mining companies to control the coal market. According to a recent decision of the office, coal produced by various mines will be sold at a uniform price as from January 1, 1937, so as to eliminate competition among the coal producers.

Miss Yuan Heng-jui, "husky" Honan girl athlete, who won the girls' javelin throw championship at the last National Athletic Meet held in Shanghai last October, broke her own national record at the Honan Provincial Athletic Meet in Kaifeng Oct. 23. She hung up a new mark by throwing the spear to a distance of 31.13 meters, or the equivalent of 102 ft. 1 inch, bettering the National record by 2.58 meters.

The revision of China's Press Law, now being undertaken by the Codification Committee of the Legislative Yuan, is expected to be completed shortly. The unanimous contention of journalistic circles in various parts of the country (according to the *Central News*) was that while it looked well-nigh perfect on paper, the Press Law was inapplicable in practice. The present revision, it is understood, is based on a modified version as drafted by the Ministry of Interior.

Recently arrived in Shanghai is Phil Nesbitt, correspondent for the *San Francisco Chronicle*, who is well-known as a political cartoonist. This is the first time that the *Chronicle*, which is one of the most important newspapers on the Pacific Coast, has sent a correspondent to China. The editor, Chester Rowell, who consistently has stood for friendship between America and this country and who is one of China's best friends, visited the Far East in 1931.

Miss Sze Chien-chiao, sentenced in September last year to seven years imprisonment for the assassination of Gen. Sun Chuan-fang, regained her freedom Oct. 21 by virtue of a special pardon granted her by the National Government last week. She has in the meantime arrived in Nanking, after a visit to Peiping. A message was received by General Sung Cheh-yuan, Chairman of the Hopei and Chahar Political Council, from Marshal Feng Yu-hsiang in which the former was asked to offer adequate protection to Miss Sze.

Dr. Hu Shih, Dean of the College of Arts of the National Peking University, is scheduled to leave the United States on Oct 31 and is due to arrive back in Peiping on Nov. 22 to resume his professorial duties. Dr. Hu has been spending the last four months in America during which time he attended the conference of the Institute of Pacific Relations at Yosemite, California, and the Tercentenary Delegration of Harvard University from which he received an honorary degree.

Dr. Kiang Kang-hu, well-know writer and lecturer, delivered an address before members of the Sino-Foreign Association in Shanghai Oct. 25 on the subject of the Chinese Art Exhibition recently held in Canada in celebration of the 50th anniversary of the founding of Vancouver. Dr. Kiang, who supervised the Vancouver art show, which he took to Canada himself on the invitation of the Chinese residents there, revealed in the course of his talk how the Chinese cultural productions had been widely acclaimed by the Canadian and American people.

A purge of the tourist guide business, which has lately been criticized as demoralizing, will shortly be conducted by the Bureau of Social Welfare of the Greater Shanghai Municipality, according to the local vernacular press. In the last two years, it was pointed out, institutions styling themselves tourist guide societies have sprung upon in Shanghai in large numbers, most of which are staffed by young girls serving as guides. While ostensibly offering services as guides to tourists in the city, it has been charged, these women tourist guides are engaged in questionable business.

The Pan-Pacific Association will observe "International Night," at the Cercle Sportif Francaise, 290 Rue Cardinal Mercier, Shanghai, Friday, Nov. 13, at 9:30 p.m. The principal feature will be a ball. Mrs. A. J. Hughes is chairman of the program committee. Among the numbers already secured are Miss Butterfly Wu, noted Chinese cinema actress, who will give a Chinese costume dance, and Miss Natalie Synnerberg, talented classical dancer, who will dance the minuet. The masters of ceremonies are Mark L. Moody and Walter Kwok. Tickets are $5.00 each including admission and buffet supper.

Dr. Lo Wen-kan, former Minister of Foreign Affairs at Nanking, has left for the Lo Fo mountains to enter a monastery and devote himself to a study of Buddhism. After relinquishing his post at Nanking, Dr. Lo Wen-kan joined the South-west Political Council and was actively associated with the movement which led to the collapse of General Chen Chi-tang's regime, whose foreign policy he directed. According to the Chinese press, Dr. Lo has rejected an appeal by General Li Tsung-jen, Pacification Commissioner of Kwangsi, and Chou Lu, the Cantonese statesman, that he sould emerge from his retirement and take up an official position.

British traders have to meet competition from American goods carried in fast ships to China, and everything possible must be done to remove the disadvantage from which Great Britain suffers, declared W. C. Kirkpatrick, newly-appointed representative in China of the Export Credits Department, in an interview in London Oct. 24.

The Shanghai American Club at its annual general meeting Oct. 26 elected N. F. Allman, president; C. B. Morrison, vice-president; Edwin Heuser, of the National City Bank, hon. treasurer; M. J. Harris, *Associated Press Correspondent*, honorary Secretary. General Committee: Paul Bordwell of the Dollar Line, Bruce Miles of General Motors, P. F. LeFevre of the Texas Company (China) Ltd., J. Fistere of the National Aniline and Chemical Company, and James Perkins of Paramount Motion Pictures.

Shanghai Auditing Bureau to Audit Railway Accounts

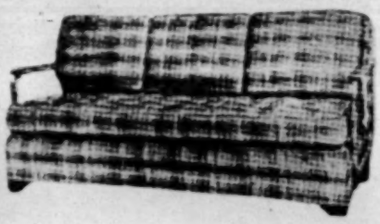
Beginning from the current fiscal year the Shanghai Municipal Auditing Bureau has been authorized to audit all the accounts of the China Merchants' Steam Navigation Company and the Shanghai-Nanking and Shanghai-Hangchow-Ningpo Railway Administration.

Commercialization of Government Railways Decided Upon at Railway Directors' Conference

The general principle for railway readjustment decided upon at the Railway Directors' Conference recently convened in Nanking by the Ministry of Railways includes a plan for commercializing the government railways so that each of them will be able to support itself and pay its own debts. At the conclusion of the conference the Ministry sent identic instructions to the various railway administrations pointing out numerous means by which the railway services may be improved.

Chinese Cotton Mill in Wusih to Reopen

In view of the optimistic outlook for the cotton textile industry, all Chinese cotton mills which closed during the recent depression are now operating again. The Nieh Ching Cotton Mill in Wusih, with 13,832 spindles and a total capital of $210,000, is making preparations to resume operations.



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Canton—Old and New*

The author, who was formerly editor of *The* (Peking) *Leader*, and whose name was brought prominently to public attention by his book, "Two Years of the Japan-China Undeclared War," has now turned his facile pen to a description of the economic progress made by the city of Canton. He has wisely added to a terse text, numerous excellent illustrations—as, with the competition of the radio and movies, many people are becoming too lazy to read, and are only attracted by pictures. There are altogether 81 pictures, outstanding among them being the following:—View of Pearl River showing Canton Proper and Honam Island Shrine of the Five Legendary Genii; A typical narrow street; shrine of "One Thousand Hands" at Six Bunyan Temple; Five-Storied Pagoda; Solution of Traffic Problems During Demolition Stage; Construction of Road Across Shameen's Creek; Use of Light Railways in Reconstruction Work; Chinese Laborers Operating Construction Equipment; Yat Tak Road; Shameen West Bridge; Four Memorial Arch Street; The Pearl River Bund; Sun Fo, Canton's First Mayor; Inner Harbor; View of Boiler Room of New Tsangpu Waterworks; etc.

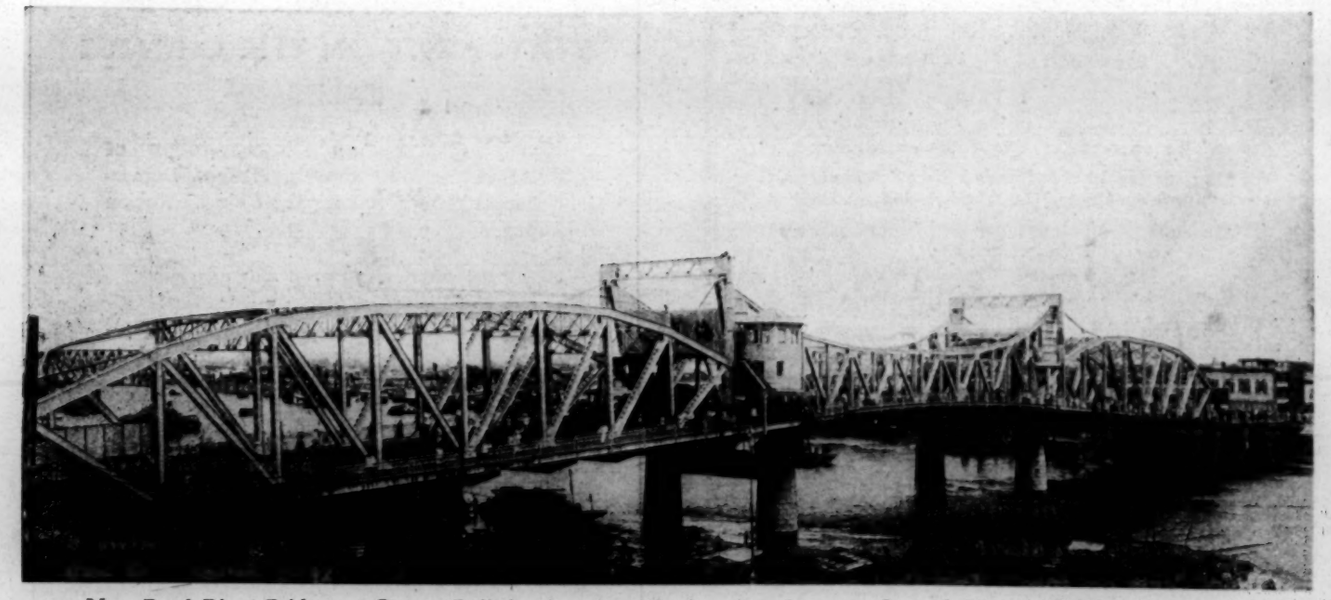
In an introductory note Mr. Lee says:—"The task of converting Medieval Canton into Modern Canton was not an easy one—not so much from an engineering standpoint, for which the demolition of the ancient city wall to make way for a wide road for bus and vehicular traffic raised no complications; the tearing down of buildings in order to widen the narrow lanes, generally from ten to twenty feet wide, to a width of sixty, eighty or one hundred feet aroused the opposition of private property owners who were reluctant at the time to see their property destroyed, even though in later years they were compensated by the rising value of their land as a result of the modernization."

The author first discusses travel facilities, which comprise water transportation, railways, air lines, transportation, highways, bus services, automobiles and other conveyances. Taking up the ancient history of Canton, he describes the legendary period, early foreign intercourse and old landmarks. In a chapter entitled "Canton Transformed," he describes the demolition of the city wall, the construction of modern streets, road construction, notes the benefits of road widening, and gives details of building construction, the erection of modern steel bridges and the installation of a sewerage system. In a chapter entitled "Planning Greater Canton," the necessity for the expansion of the city limits is noted. Public works, public utilities, education, finance, social welfare, public health, power requirements, etc. are likewise given their due proportion of attention.

The book contains the following maps and charts:—Map showing Location of Canton; Map of Ancient Canton During Manchu Dynasty; Greater Canton's Road System; Chart of Estimated Electricity Supply Load Increase; Map Showing Electricity Supply Installations; Chart Showing First Stage of Installation of 30,000 Kilowatt Power Station; Chart Showing Second Stage of Installation of 30,000 Kilowatt Power Station; Chart Showing Third Stage of Installation of 30,000 Kilowatt Power Station; Chart Showing Religions of Citizens of Canton; Chart Showing Occupation of Citizens of Canton; Organization Chart of Municipal Government; Chart of Road Construction; and Map of Modern Canton.

A View of the Bund at Canton, Showing Canton & Macao Steamship Company's Wharf and the Sun Company Department Store Building.

**Modern Canton, by Edward Bing-shuey Lee. Shanghai: The Mercury Press.*



New Pearl River Bridge at Canton Built by American Engineering Co., at a Cost of Tls. 1,035,000. Construction of this steel bridge was supervised by ex-Mayor Cheng Tien-ku, who was Director of the Bureau of Public Works previous to his promotion. The finishing touches were put on by Mayor Liu Chi-wen, who officially opened the bridge to traffic on February 15, 1933.

Japan's Growing Chemical Industry Noted in "Far Eastern Survey"

In the Sept. 9 issue of *Far Eastern Survey* (N.Y. City) Harald von Waldheim discusses the rise of chemical industries in Japan. The author says that in world production of chemicals the Japanese Empire is surpassed only by Germany, the United States and Soviet Russia. It is classed with Great Britain and is ahead of France and Italy. Last year Japan's production of dyestuffs, on which efforts are now being concentrated, reached an estimated 20,000 metric tons, compared with 7,780 tons in 1930.

New Books of Interest in the Far East

Dr. John C. H. Wu Discusses Literature and Judicial Questions

The Art of Law and Other Essays, Juridical and Literary. By John C. H. Wu. Shanghai: The Commercial Press, Ltd., 1936. 221 pages.

"Reading is an art as much as writing. If a man had attained the spiritual stage of selflessness, he could enjoy the writings of another just as whole-heartedly as if they were his own products; for they are but a record of the heart throbs of humanity, of which every individual forms an integral part. As Spengler so beautifully puts it, 'one great pulse-beat operates through all the detacned souls.'"

This brief "Titbit of Experience" from Judge Wu's book is a sample of the attitude with which he invites the reader to the varied subject matter brought together in this collection of essays. For Judge Wu is essentially the humanist, seeking always the divine spark and "pulse-beat" of which he speaks. To him "the life of culture is as full of thrills and excitements as an athletic life," and that conviction he can give to his reader. This enthusiasm owes its contagious quality not so much to the subject matter as to the perfection of expression. A non-legal mind may read the Function of Legal Methods in the Balancing of Interests with little less satisfaction than the essay entitled Herbert Giles in Heaven. Judge Wu not only has ideas to express, but he expresses them in a style which may well be envied and studied. There is polish, there is humor, there is balance and climax. His epigrams are no less effective and pointed than his legal summaries. There are the subtle overtones which must flavor all good writing. What a wealth of connotation lies for example in this bit from A Note on the Evidence in the Garcia Case: "A Judge is not supposed to be a 'Sherlock Holmes,' but an Oliver Wendell Holmes."

The reader of this collection of essays cannot but feel a sense of the universality of truth and the companionship of fine minds. In comparing the old and new legal systems of China, Judge Wu shows that the codification of Chinese law has come at a time when "the newest legal ideas of the west come pretty near to some of the oldest ideas of our own country. While the reception of the European law means an elimination of that which is moribund in the juridical life of China, at the same time it brings about a reinforcement of those habits of mind which are still vital and which are the secret roots of the longevity of China."

The influences and stimulation of one mind upon another is constantly shown as Judge Wu interprets and comments upon the late Justice Oliver Wendell Holmes of the United States Supreme Court. It is a remarkable and refreshing fact that one of the finest analyses of the mind of Justice Holmes should have been made by a Chinese jurist.

For pure pleasure read Judge Wu's essay "Herbert Giles in Heaven."

F. M. R.

Japanese Foreign Office Is Incensed by Robert Lansing's Memoirs

The secret posthumous manuscripts of the late Robert Lansing, co-signer of the Ishii-Lansing Treaty and the "wisdom-bag" of the late President Woodrow Wilson during the Great War as Secretary of State, appeared in the spring as the "War Memoirs of Robert Lansing," published by the Hobbs Merrill & Co. of New York. The book starts out with the famous incident of the leakage of German Foreign Minister Zimmerman's telegram and an expose of the diplomatic secrets of the Powers centering about the international crisis before the War. The bold expose has created a world-wide sensation. The *Tokyo Asahi* says the book is from beginning to end impregnated with ill-will toward Japan. Not only is it a "serious insult offered Japan by stating that Japan entered the War from aggressive designs, but the secret diplomatic documents exchanged between the United States and Japan regarding Japan's 21 demands to China are published without any understanding being sought of the Japanese Government."

"The Foreign Office, considering this a breach of international faith, is expressing extreme dissatisfaction. Finally Dr. Kiroku Hayashi, authority on diplomatic questions, member of the Imperial Academy and former president of the Keio University, has been asked to write a refutation of the allegations in the Lansing Memoirs and his essay is now expected to appear in the mid-October issue of the *Diplomatic Review* (Gaiko Jiho), calculated to hit at prejudices and false morals which are liable to impair good relations between the United States and Japan."

The "War Memoirs" in question cover a period between June 23, 1915 when Mr. Lansing assumed his post as Secretary of State, and February 13, 1920, when he resigned, dealing with

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secret records of American diplomatic policy in the most serious crisis centering on the Great War.

In a recent interview Dr. Hayashi said: "The book is really pernicious. The objectionable portion of the book is mainly Chapter 20 which is filled with abuses against Japan on entirely groundless dogma. Japan is made out to be an aggressor and this is a national insult. It is only natural that the Foreign Office authorities should be indignant."

An Author Who Reveals His Personality in a Travel Book

Bali and Angkor or Looking at Life and Death, By Geoffrey Gorer. Little, Brown & Company, Boston. U.S.$3.00

This is certainly not a travel book in the usual sense of the word. To be sure the author travelled rather leisurely through the Dutch East Indies, Malay, Siam and Indo-China. The book is extraordinarily unlike even such departures from the norm of travelogues as Peter Fleming's books. An unorthodox writer and tripper to say the least, Mr. Gorer uses the background of travel as incidental to a variety of personal theories, thoughts and fancies on seemingly unrelated subjects. Some of his ideas certainly have the advantage of novelty, such as the theory that the art of Angkor was created by men under the influence of drugs. His arguments in support of this particular theory as well as some others which he advances in the course of the book are good ones, and it is, of course, possible that he may be right though on the face of it this particular idea seems queer.

One must give the author credit for his frankness and independent thinking at times surprising, such as, "All that I saw of French Indo-China, Cochin China and Cambodia seemed to me to be completely uncalled for." Naturally Mr. Gorer is entitled to his own opinion, but his statement does seem rather too broad. One is tempted to deduce that the author was not in a receptive frame of mind when he visited these places. He is also to be commended for admitting his lack of knowledge on certain subjects. Quite frequently he states that he does not know very much about a thing, but from his scant knowledge he would deduce such and such, altho he does not necessarily expect the reader to do likewise.

Mr. Gorer has dealt with Balinese life sympathetically and in some detail. He considers the Balinese the happiest large community that he has ever seen, and he has tried to analyze for himself and for others how this happiness has been brought about and maintained. Altogether the picture that he paints is a delightful one, and the better part of the chapter on Bali alone makes the book worthwhile reading.

As a teller of tales Mr. Gorer excels—some of his experiences with fellow travellers would have made good short stories.

Taken as a whole, Mr. Gorer's book pleasantly blends places visited and people met, with amusing sidelights on each, the author's feelings about a number of rather unrelated subjects, detailed descriptions of Balinese life, art and music, and the ruins of Angkor, excursions in Java, Malay, Siam and Indo-China. The whole strange mixture somehow harmonizes and the book moves easily from page to page. The peculiarity of the author's ideas makes it interesting as well as the starting point for a number of controversies. Chiefly is the book an illuminating commentary on the author's personality—it is that factor which gives it unity.

October 18, 1936. D. D.

Founding of China Baptist Mission Observed in Canton

A ceremony in commemoration of the centenary of the founding of the China Baptist Mission was held in Canton Oct. 4 with more than 2,000 guests, students and representatives from organizations in China and abroad in attendance. Mayor Tseng Christian Yang-fu was the principal speaker. He compared Christianity with the bequeathed teachings of Dr. Sun Yat-sen, founder of the Chinese Republic. The China Baptist Mission was founded in 1836 by American missionaries.

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SHANGHAI-YUNNANFU (KUNMING) LINE

West Bound						*East Bound*
Every	6.30	Dep.	Shanghai	Arr.	18.15	Every
Tues.	7.45	Arr.	Nanking	Dep.	17.00	Thurs.
&	10.40	Arr.	Chengchow	Dep.	14.10	&
Fri.	13.20	Arr.	Sian	Dep.	11.30	Sun.
	16.00	Arr.	Lanchow	Dep.	8.00	
	17.00	Arr.	Chengtu	Dep.	8.00	
Every						Every
Wedns.	8.00	Dep.	Chengtu	Arr.	16.30	Wedns.
&						&
Sat.	11.30	Arr.	Yunnanfu (Kunming)	Dep.	13.00	Sat.

PEIPING - CHENGCHOW LINE

South Bound						*North Bound*
Every						Every
Tues.	7.00	Dep.	Peiping	Arr.	11.30	Mon.
&						&
Fri.	10.30	Arr.	Chengchow	Dep.	8.00	Fri.

LANCHOW - PAOTOW LINE

North Bound						*South Bound*
Every	8.00	Dep.	Lanchow	Arr.	17.20	Every
Wedns.	10.20	Dep.	Ninshia	Dep.	15.20	Wedns.
	12.20	Arr.	Paotow	Dep.	13.00	

NOTES: 1. This time table is effective on and after 1st. April, 1936 and is subject to change without notice.
2. Special flights to other places can be arranged by special agreement.

Latest New York Stock Exchange Quotations

October 28, 1936

Stock Exchange— Business Done:-
Total Volume: 1,310,000 Shares

1936 High	1936 Low	Div. $ per sh.	STOCKS	Last Sale Oct. 26	Last Sale Oct. 27
15¼	9⅝	0.20	Adams Express	14¼	14⅜
127½	115¾	4.00	American Can	123¾	124½
40¾	29¼	0.80	Amer. Cyanamid "B"	35	35⅝
9¾	6½	—	American & For. Power	6⅞	7
50	29¾	—	American & Foreign Pwr. $7 pfd.	48	47¼
27¾	18¾	—	American Radiator	22⅝	22⅞
180½	149½	9.00	American Tel. & Tel.	178¼	179½
103½	88½	5.00	American Tobacco "B"	100	99¼
27¼	19¼	0.20	American Waterworks	26½	26¼
47¼	28	0.50	Anaconda Copper	44½	45¾
88	59	2.00	Atchison, T. & S. Fe	78	79⅜
54¼	26⅝	—	Auburn	31½	32⅝
26¼	15⅞	—	Baltimore & Ohio	22	22⅝
75⅝	45¾	—	Bethlehem Steel	68¼	70½
30½	16⅞	—	Boeing Airplane Co.,	28¾	28¼
16	10⅞	—	Canadian Pacific Railway	12⅝	12¾
186	92½	—	Case, J. I.	154½	156
50¾	34	1.40	Chase National Bank	47	47¼
97	59	3.00	Chesapeake Corp.	96	95⅝
76½	51	2.80	Chesapeake & Ohio	74¾	76
130¼	85½	7.25	Chrysler	124⅞	126¾
23⅜	14	0.40	Columbia Gas & Electric	19¼	19¼
24⅜	14¼	0.60	Coml. Solvents	15¾	15⅞
5½	2¼	—	Commonwealth & Southern (ord.)	3⅞	4
47	27¼	2.00	Consolinated Edison	45⅜	45⅞
15¼	11½	0.60	Consolidated Oil	13¼	13½
38½	28¼	1.00	Continental Oil	33⅛	34½
82¼	64	3.00	Corn Products	70	71
81⅞	50⅝	—	Douglas Aircraft	73½	73¾
169¼	133	8.60	Du Pont de Nemours	167¼	168
27	15⅝	—	Electric Bond & Share	22⅛	22⅜
49⅛	31½	0.90	General Electric	47¼	48⅛
43¼	32⅜	1.80	General Foods	39⅜	40⅜
74⅛	53⅞	2.00	General Motors	70¾	72⅛
50	32½	1.00	General Railway Signal	43¼	43⅛
21⅜	12⅝	1.05	Gold Dust	13¾	14¼
31⅞	21¾	—	Goodyear Tire & Rubber	24	24½
76½	57	1.00	Humble Oil	65¼	66¼
62⅞	43¼	1.35	Internation Nickel	59½	61⅛
19¼	11¼	—	International Tel. & Tel.	12¼	12¼
57	28¼	0.90	Kennecott	55⅛	56⅜
62	43	2.00	Loew's Inc.	55	56⅞
26½	21¼	1.20	Lorillard	22⅞	23
103	79	1.00	Monsanto Chemical	94½	94
57½	35¾	0.60	Montgomery Ward	54½	56⅞
45⅜	31	1.00	National City Bank	40⅞	41
28¼	21	1.20	National Dairy Prods.	25⅞	26
33⅜	25⅝	2.00	National Distillers	28⅛	28⅞
14⅞	9¾	0.60	National Power & Lt.	11¾	12
49¼	27⅜	—	New York Central	44⅛	45⅞
36¾	23⅞	1.00	North American	32	32¾
41	30⅜	1.50	Pacific Gas & Electric	37¼	37
58⅜	47⅝	2.40	Pacific Lighting	52	52
13¼	6⅞	0.25	Packard Motors	12	12¼
44⅞	28¼	1.90	Pennsylvania Railroad	41¾	42¼
49⅜	38¼	1.60	Phillips Petroleum	44¼	45
49⅛	39	2.40	Public Serv. of N. J.	45¼	46½
14¼	9⅜	—	Radio Corporation of Amer.	10¾	11
58⅝	50	3.00	Reynolds Tobacco "B"	56¾	57
52	37¾	0.5	Schenley	48⅞	49⅞
95¼	59⅝	2.00	Sears Roebuck	91⅝	94¾
17	12½	0.60	Socony-Vacuum	16¼	16¾
32½	25	1.50	Southern California Edison	31	31½
47⅛	23½	—	Southern Pacific	42¾	44⅛
18	14⅜	0.80	Standard Brands	16¾	17½
9⅞	5½	—	Standard Gas & Electric	7¼	7½
70	51⅜	1.00	Standard Oil Co. of N. J.	65½	67
77¾	65	3.80	Sterling Products	75⅛	75⅞
38⅞	33	2.00	Texas Gulf Sulphur	36¾	37⅝
15	11	0.30	Transamerica	14⅜	14½
101	71⅝	3.00	Union Caride & Caroon	98	99
119¾	108½	6.00	Union Pacific	140½	143
32⅜	20⅝	—	United Aircraft (New)	23¼	23½
21	13	—	United Airline Trans.	14¼	14¼
9¼	5⅜	—	United Corporation	7½	7½
19½	14⅜	1.60	United Gas Improvement	15⅝	15⅞
59	31½	—	U.S. Indus. Alcohol	38⅝	39½
38¾	16⅜	—	U. S Rubber	34	35
79⅛	46⅜	—	U. S. Steel	73¾	76
27¼	16¼	—	Vanadium	21⅞	22½
14⅝	9¼	—	Warner Bros. Pictures	13⅛	14¼
153	94½	3.00	Westinghouse Electric	144⅛	145½

Call Money: 1 %

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HEAD OFFICE:—SHANGHAI

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